Daily Report

Latin America

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FBIS-LAT-95-196 *11 October 1995*

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Presidents To Query U.S. on Export Policy

PA1010163795 San Pedro Sula TIEMPO in Spanish 7 Oct 95 p 13

[By David Romero Murillo]

[FBIS Translated Text] President Carlos Roberto Reina has confirmed that the Central American presidents scheduled to meet in San Pedro Sula 13-15 December will ask the Clinton administration to treat exports coming from this region the same as those coming from NAFTA countries (United States, Mexico, and Canada).

"A new phase of specific action will open in San Pedro Sula. We will ask that the Caribbean Basin countries be treated the same as NAFTA countries. We will defend the maquila [assembly plant sector] and request more foreign capital and developmental investments in Honduras and additional funds from international organizations to defend the environment. We want this to be a new era for Central America, for the Caribbean, and for the entire continent," Reina added.

He said that the Central American presidents have asked President Clinton to honor the promises that he made at a meeting in Washington in 1993 and that Vice President Al Gore made during a meeting in Tegucigalpa to ensure that their countries receive the same treatment that NAFTA countries receive. "They have not yet made good on their promises. We respectfully remind President Clinton to consider them," the Honduran president said.

As for the maquila, Reina said that the presidents asked the Clinton administration to refrain from "erecting obstacles, establishing quotas, and so on that could undermine the development of this source of employment that in Honduras alone generates jobs for about 50 [figure as published] heads of household."

With regard to a march held by the United Federation of Honduran Workers [Central Unica de Trabajadores de Honduras] in San Pedro Sula on 5 October to protest the trial for the alleged crime of sedition of seven members of the Trade Union of San Pedro Sula Municipal Workers [Sindicato de Trabajadores de la Municipalidad de San Pedro Sula], President Reina confirmed that he cannot intercede for the accused. "I cannot meddle in the affairs of the judicial branch. I could be subject to constitutional punishment," he noted.

When asked to comment on the salary increase that the labor groups requested, Reina said: "Salary adjustments will solve nothing as long as there is inflation. We need to control inflation, which is at the root of a number of evils."

On whether he backs the education minister's threat to imprison any teacher leaving school and taking to the streets to demand approval of the teachers' statutes, the president pointed out that he maintains the best of relations with the teachers' unions. "We already gave them a 44 percent increase. We are willing to revise those salaries. However, they must fulfill their commitment to the government to eliminate illiteracy in Honduras by the year 2000. The duty to push back and eliminate ignorance in Honduras is above any right or demand. Our talks take this into consideration," he added.

"Do you still believe that corrupt persons must go to prison even if you embrace them?" a reporter asked, in clear reference to the embrace that Reina had given to former President Rafael Leonardo Callejas minutes earlier.

"I, personally, maintain the best of relations with everyone. I am the president of all Hondurans. Justice ensures that criminals pay for their crimes in the places established for this purpose," Reina replied.

He announced the establishment of a new organization to ensure that San Pedro Sula Airport will be ready before December, when this city will host the Central American presidential summit.

President Reina had just arrived in San Pedro Sula from San Salvador.

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Cuba

Further Reaction to Clinton's Policy Speech

PRENSA LATINA Notes Speech

PA0610174995 Havana PRENSA LATINA in Spanish 1619 GMT 6 Oct 95

[FBIS Translated Text] Washington, D.C., 6 Oct (PL) — U.S. President William Clinton used the words leadership and force the most when he presented his country's plans to lead the world in the next century.

In a 42-minute speech at the nongovernmental organization Freedom House in this capital, Clinton reasserted what he described as U.S. diplomatic triumphs in Haiti, the Near East, and Bosnia-Herzegovina, all of which are based, he said, on a combination of force, flexibility, and leadership.

Among those attainments, Clinton mentioned the signing of preliminary peace agreements between Serbs, Croats, and Muslims in the Balkans, the recent signing of a pact to extend Palestinian autonomy in West Jordan, and the return to Haiti of the ousted Haitian president, Jean-Bertrand Aristide.

Another argument presented by Clinton was the relationship between the foreign and domestic policies, citing as an example, the speed with which his government decided to guarantee loans of billions of dollars to buttress the Mexican economy after the stock market collapse in Mexico last December.

Along this line, the White House tenant affirmed that several recent political and economic decisions in the international field could not be debated broadly enough because of the shortness of time.

Observers regard as evident the President's intention to portray an image of firmness and determination and to take the opportunity to send a message to his Republican rivals, who have been besieging him since January this year when they took control of both houses of Congress.

The President said in essence: Isolation is negative (....) Anyone can see that these conflicts (those of Bosnia, the Near East, and Haiti, and the Mexican financial crisis) are closely related to the well-being and future of the United States.

Ultraconservative sectors of that party favor a drastic reduction of U.S. foreign military and economic aid as a way to reorganize domestic policy, which suffers from a budget deficit of billions of dollars.

The electoral purpose of the 42-minute speech was also evident when Clinton said he had run for president because of his conviction of the prevailing role that must be played by unity in the configuration of the world's future after the end of the Cold War.

In the transition from the industrial society to the global village (what the world must become) and after the end of the Cold War, of which we emerged the victors, the United States is playing a leadership role, and we must be prepared to play it, the U.S. executive said.

Contreras Commentary: No Change

PA0710011495 Havana Radio Rebelde Network in Spanish 2300 GMT 6 Oct 95

[Orlando Contreras commentary; from the "Exclusive" newscast]

[FBIS Translated Text] President Bill Clinton today gave the green light to Track Two [preceding two words in English] of the Torricelli Law of 1992, by lifting the obligation Cuban emigrants had to make an express request to travel to Cuba only in case of family emergency, such as the death of a relative. He also announced administrative measures to apply the blockade.

In addition, the U.S. President announced new measures to tighten the blockade against our country, which has already lasted 34 years. I don't know the official version of Clinton's speech, only partial media reports. Based on these reports, I believe I understand the U.S. President is apparently making an effort to satisfy pressure from a totalitarian extreme right, but in essense not the majority of U.S. society. The President is going against a growing state of opinion in the United States among businessmen, academicians, the average U.S. citizen, and international public opinion, who demand the real end of the Cold War and the policy of irrational confrontation.

In essence, restrictions to travel to Cuba are maintained. These restrictions violate the very U.S. Constitution, as George McGovern, former senator and 1972 Democratic Party presidential candidate, and Wayne Smith, academician and former head of the U.S. Interest Section in Havana, said in an article published less than one month ago, 18 September, in the CHRISTIAN SCIENCE MONITOR entitled: Abolish Travel [Constraints] in Cuba. They said in that article that the U.S. Supreme Court had ruled nearly 30 years ago that the government could not ban U.S. citizens from traveling to specific countries.

In 1982, [words indistinct] free translation of the article, the Reagan administration said [five-second break in reception] but we can say that you cannot spend one penny to do so. In 1984 [word indistinct] the Supreme Court rejected the constitutionality of those

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new monetary controls, observing the arguments of the State Department, which tied the measure to the protection of national security, in the framework of the Cold War. But, said McGovern and Smith, the Cold War is over; the arguments on national security are not good to constrain the rights of citizens. They concluded: It is time to end all this. These decisions do not serve the needs of foreign policy. They are counterproductive, worse yet, they are illegal. They wonder: Should the rights of U.S. citizens be supported or not?

Given the decision adopted today by Clinton, those rights are not supported, because restrictions to travel to Cuba are maintained. The consensus of international public opinion is not heeded either, because Clinton announced new administrative measures to tighten the blockade. In essence, I think we are in the presence of the implementation of the Track Two [preceding two words in English] of the Torricelli Law, which pursues through alternate ways the same failed purpose of crushing Cuba.

The blockade becomes intensified. The unconstitutional restrictions to travel to our country are not lifted. In accordance with a desire in keeping with international law, respect for sovereignty, the self-determination of peoples, and the absence of international cooperation to tackle jointly the growing world problems of poverty, malnutrition, unsanitary conditions, and the deterioration of the environment, Clinton today did not make any contribution.

Radio Havana Commentary

PA1010135695 Havana Radio Havana Cuba in Spanish 0000 GMT 10 Oct 95

["Station commentary" read by Norberto Hernandez; from the "Evening Information Review" newscast]

[FBIS Translated Text] A brief statement issued by the Cuban Foreign Relations Ministry described as not very new the announcement made on 6 October by U.S. President William Clinton regarding certain measures that very slightly changed the treatment applied to Cuba in past times.

The Cuban Foreign Ministry underscored that what the U.S. President said contributes nothing new to the existing situation. President Clinton was careful and explicit when he started to describe the policy toward Cuba when he said that the economic blockade that the U.S. Government has maintained against our country for more than 30 years will not be in any way altered by the measures he announced in his speech. Quite the contrary, he insisted that the siege will be maintained, and — he added — the aim is only to somewhat ease the pressure suffered by the Cuban population as a result of the unjust measures.

The opening of information agencies and press offices in Havana and the improvement of communications between the two countries are among the main aspects of the so-called Track Two of the Torricelli Law that consists in the progressive [word indistinct] of political poison within and outside Cuba to attack the Cuban revolution from within its very heart.

This so-called opening of communications aims to penetrate Cuban reality more efficiently to excert influence on it and to reform it with greater efficiency in the eyes of the world through the powerful dissemination media that Yankee imperialism controls.

Cuba does needs no charity but justice; respect for its national dignity and not imperial condescension. The U.S. Government has tried everything except massive military aggression to topple the Cuban revolution, to undermine the increasing prestige of the independent and sovereign Cuba that annoys it so much.

Now, 36 years after breaking its teeth while chewing on the hard bone of the Caribbean, it is adopting the technique of El Zorro and the style of Tartuffe to justify what is unjustifiable and to achieve what it should have realized is impossible.

Cuba has said clearly, and explicitly underscored, that it advocates normalization of all types of relations with the United States under conditions of absolute equality that should exist between sovereign states. It has, however, also reaffirmed with all the necessary vigor and firmness that neither through force nor deceit will the Cuban people relinquish the flags of the fatherland to return to the ominous past that the Cuban revolution liquidated forever.

Observers: 'Change of Image'

PA1010145895 Havana PRENSA LATINA in Spanish 2100 GMT 9 Oct 95

[FBIS Translated Text] Havana, 9 Oct [PL] — The measures announced on Friday by President William Clinton toward Cuba appear to respond more to a change of image, than to a genuine interest of his administration to facilitate bilateral dialogue, observers here estimate.

The increasing wave of international criticism of the economic blockade and ever-increasing pressure of businessmen at the domestic level — they note — may have moved the U.S. president to show a more flexible position in his relations with the island in an election year.

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In a foreign policy speech, addressed to reiterate the U.S. leadership in the conditions of a unipolar world, Clinton announced a series of measures which, without modifying his position of strength, sought — they said — "to improve communications with the Cuban people."

The authorization of U.S. media to open offices in Havana, a more flexible stand on restrictions to travel of U.S. citizens to Cuba and the possibility of sending humanitarian aid through nongovernmental organizations and dissident groups, are among the new plans.

For Cubans, subjected to acute scarcities as a result of the disappearance of the Socialist bloc and the tight U.S. economic and commercial blockade — which has lasted over three decades — the measures do not appear to bring major benefits.

"This is nothing but a joke in poor taste," Ricardo Alarcon, president of the Cuban parliament stated, commenting on the scope of the changes, considered by analysts in both capitals as "insignificant."

"If President Clinton really wants to improve relations with Cuba, what he must do is immediately lift the economic and commercial blockade," Alarcon stated.

"I don't think it means much. There is nothing new in that," Wayne Smith, expert on Cuba in the International Political Center of Washington, stated.

Clinton's announcement coincided with an avalanche of criticism by international governments and personalities, who are also concerned with the effects of a draft bill being studied by the U.S. Government to further tighten the blockade against the island.

The bill, which is named after the congressmen sponsoring it [Jesse Helms and Dan Burton], would penalize other nations and businessmen that trade with Cuba.

Countries such as Mexico and Canada, and the European Union, principal partners and allies of Washington, have been very critical of the blockade, on the eve of a new discussion of the topic at the UN General Assembly, which has already condemned it for two consecutive years.

They have been joined by Russia and virtually all Latin American states, in what a Foreign Ministry spokesperson termed "a torrent" of reactions opposed to the Helms-Burton Bill and the hostile policy by Washington toward Havana.

Pope John Paul II, in a visit to the United States last week, also joined the current noting that the economic blockade can only cause hardships to the Cuban people.

The European Union recently decided to open a dialogue with Cuban authorities to normalize its economic, commercial, and cooperation relations, in what some analysts have considered as "a challenge" to U.S. policy.

Domestically, important U.S. companies and corporations, interested in the economic opening under way here, are pressuring the White House for a change of policy toward Cuba.

Coinciding with the official announcement by President Clinton, a delegation of 65 prominent U.S. businessmen, coordinated by "Time Incorporated," important U.S. publishers, traveled Friday to this capital in what they described as an "informative" visit.

The group, which included representatives of corporations as powerful as Sears, General Motors, and the Hyatt Hotel chain, among others, was greeted by President Fidel Castro and other ranking government leaders.

Before traveling to Havana, the group met with Clinton officials and advisers, sources of the delegation confirmed.

According to the daily THE NEW YORK TIMES, other companies such as Archer-Daniels-Midland Co., Revlon, Consolidated Cigar Corp., Otis Elevator Co., The Carlson Cos., owners of Radisson Hotels, and the rice industry criticized the blockade before the U.S. Government

Important newspapers such as THE WALL STREET JOURNAL, which is very influential in financial circles in this country, THE NEW YORK TIMES, THE WASHINGTON POST, the LOS ANGELES TIMES, and THE BOSTON GLOBE, among others, have come out against that White House policy.

The changes, which were presented by President Clinton's advisers as "a more flexible stand" of Washington's policy toward Havana, were preceded by a strong publicity campaign.

"The ball is now on the other side of the court," a spokesperson for the president stated.

Lage, Alarcon Address Workers Federation Meeting

PA0710043295 Havana Cuba Vision Network in Spanish 0000 GMT 4 Oct 95

[From the "NTV Newscast"]

[FBIS Translated Text] The work our state is performing to draft the 1996 economic plan and aspects dealing with adapting business to the current status of the dispute between Cuba and the United States were

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discussed today during the commission organizing the 17th Congress of the CTC [Cuban Workers Federation].

[Begin recording] [Reporter Hilda Suarez] During the preparatory meeting of the Congress, Economy and Planning Minister Jose Luis Rodriguez gave the participants some ideas foreseen for next year's plan, which is currently being discussed. Regarding the program to redesign enterprises, the objectives to implement this program in the most economically influential sectors are being assessed in a gradual and case by case manner.

[Carlos Lage, secretary of the Executive Committee of the Council of Ministers, identified by caption] We have the essential objective that we have explained here. That objective is the need to make an increasingly efficient economy. We need to produce in the sugar industry, as we said here, and in every area at more reduced costs. That does not just happen because of the need to turn this into a political struggle, something that is very important, not just to turn it into an administrative demand, something that is very important, but also because of the need to adjust from a technological and administrative labor standpoint each of the country's enterprises.

[Suarez] According to the authorities, this will be a complex and difficult process in which unions will play an active role. During the meeting, there was a proposal to begin the cycles of assemblies in search of efficiency in the three months of 1996. During his speech, Ricardo Alarcon, president of the National Assembly of the People's Government [ANPP], said that United States' hostility toward Cuba is permanent, although we are asking what to do and how.

[Alarcon] In his [not further identified] ploys regarding this bill, he begins to talk of the so-called Track Two of the Torricelli law, which is the most recently approved law in effect in the United States regarding the blockade on Cuba, the 1992 law. The Helms bill is still a bill; it has not become a law yet.

[Suarez] Sugar Industry Minister Nelson Torres will speak tomorrow to the country's labor leaders about the details of the preparations for the next sugar harvest. [end recording]

Review of Meeting

PA0510224895 Havana Radio Havana Cuba in Spanish 0000 GMT 5 Oct 95

[Report by Susana Del Calvo; from the "Evening Information Review" newscast]

[FBIS Translated Text] [Del Calvo] The expanded national secretariat of the Cuban Workers Federation [CTC] met in Havana for two days. Labor leaders nationwide participated in these meetings to discuss key aspects of the CTC, which will hold its 17th congress next April. Ricardo Alarcon De Quesada, president of the National Assembly of the People's Government [ANPP], was among the keynote speakers. Alarcon gave a detailed report of the U.S. campaign against Cuba, particularly its latest bill, the Helms-Burton bill, which not only seeks to internationalize the blockade on Cuba, but manifests the bill's subversive nature by justifying financing for antirevolutionary elements within Cuba.

Following the speech by Cuban Economy Minister Jose Luis Rodriguez, Carlos Lage, vice president of the Cuban Council of State, referred to Cuba's current situation.

[Begin Lage recording] There is no doubt that amid the complexity of the country's financial situation, the elements that indicate an economic recovery are important both at home and abroad, because they constitute the real, objective, and conclusive proof that the country cannot only resist, but also recover from this situation. This is important abroad, politically and economically, for Cuba to overcome the complexity of the financial situation. The task of increasing the sugar production has exceptional significance, and not only because of the revenues a greater production would entail for the country. [end recording]

[Del Calvo] Sugar Industry Minister Nelson Torres also spoke to the workers. Torres talked about the coming harvest, which will begin soon, and the preparations for the sowing that has just concluded with the necessary [words indistinct]. These [word indistinct] are designed to guarantee continuity in our main industry, in addition to a recovery. Torres asked the Cuban labor movement for assistance in the current competition with the million-goal achievers brigades of cutters organized within the various unions.

CTC Secretary General Pedro Ross drafted a thorough report of the activities being made to commemorate the 17th CTC Congress, mentioned earlier in this report. Next, the rank and file will discuss the topics that will be dealt with during the CTC congress slated for next October. It was also disclosed that Cuba's 19th union, the Union of Tourism Workers, will be established on 28 October.

Further on Officials' Remarks

PA0510225095 Havana Radio Rebelde Network in Spanish 1700 GMT 3 Oct 95

[From the "National Radio News" newscast]

[FBIS Translated Text] Ricardo Alarcon, president of the National Assembly of the People's Government,

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spoke about the implementation of Track 2 of the approved Torricelli Law at the meeting held by the leaders of the rank and file, provinces, and municipalities, as well as secretaries general of the national unions. This topic was widely discussed by Alarcon, who urged Cubans to oppose this U.S. campaign that seeks to undermine — from within — the ideological foundations of the Cuban political system. To this effect, Pedro Ross, secretary general of the Cuban Workers Federation [CTC], urged the working class to face the breakdown of the revolutionary ideas.

[Begin Ross recording] On the verge of our 17th congress, we must raise the level of this discussion, this debate, this confrontation. The propaganda against the labor movement is overwhelming. Everyday, we could build a [word indistinct] several meters long with all the remarks being made against the Cuban labor movement. These remarks distort the reality; create chaos and confusion in the laws and the measures the country has been forced to adopt in order to save the revolution and survive; discredit and undermine the worth of the work done by the Cuban union movement; and tarnish the image of Cuban union leaders. [end recording]

The redesigning of the Cuban economy, to be discussed by Economy and Planning Minister Jose Luis Rodriguez, as well as a special speech by Carlos Lage, vice president of the Council of Ministers, are included in today's agenda of the expanded national secretariat of the CTC.

Defense Councils Deactivated in Municipalities

PA0810215195 Havana Radio Rebelde Network in Spanish 1700 GMT 5 Oct 95

[Report by Pepe Suarez; from the "National Radio News" newscast]

[FBIS Translated Text] As ordered by the Provincial Defense Council president in Havana, at 1000 today defense councils were deactivated in the municipalities where possible sea penetrations were expected. Reporter Pepe Suarez gives further details.

[Begin Suarez recording] The waters on the northern coastline in the capital city only covered small penetrations in the lower areas in the Habana del Este territory, Plaza de la Revolucion, and the Santa Fe neighborhood in Playa Municipality. No special measures to evacuate resources or human beings became necessary. Regarding the performance of the municipal defense councils that became active and the workers and residents in the endangered areas, the councils and their authorities were highly efficient and the residents in the capital city displayed cooperation and discipline. [end recording]

Castro Attends Pinar Del Rio Defense Council Meeting

PA0710042195 Havana Cuba Vision Network in Spanish 0000 GMT 4 Oct 95

[From the "NTV Newscast"]

[FBIS Translated Text] While presiding over the Defense Council of Pinar del Rio Province, Commander in Chief Fidel Castro called on province residents to continue clearing 2,500 caballerias of tobacco for the upcoming planting season and to continue working to recover all the areas suitable for planting this crop.

Castro met for approximately four hours with members of the province's Defense Council to learn of the damage the intense rains caused days ago and to overhaul the main work guidelines for the recovery phase. From 27 September until the early morning hours of Sunday, Pinar del Rio Province was drenched by rains caused by a tropical depression. The situation in Vuelta Abajo was extremely difficult, considering that in June, July, August, and September, the rain levels exceeded and in some cases doubled the historical average for these months.

In addition, Maria del Carmen Concepcion Gonzalez, president of the province's Defense Council, reported that tobacco seedlings were damaged by the rains. She noted it is possible to make up for the delay in the first 20 days of October, and that during the start of the peak demand, the province has managed to mobilize over 100,000 men, 60,000 of whom are working on the tobacco crops.

The first secretary of the Central Committee of the Communist Party of the Cuba reiterated the need for the Pinar del Rio Province residents to devote themselves to the task of producing more tobacco, maintaining its quality because of the international prestige this crop gives the country.

Considering the conditions of that province, which is prone to to suffer this kind of inclement weather, and analyzing what man can do to overcome this sort of problems, Fidel advised residents to get ready to build the San Juan River dam as soon as possible, conclude immediately the building of pipes for the Cuyaguateje Dam, and conclude the Nombre de Dios Dam project.

The leader of the revolution was also interested in the production of rice. He was informed that the harvest in the Los Palacios Mills has been paralyzed by floods. In addition, there has been delay in preparing the land for the winter planting, estimated at 800 caballerias. In that respect, the commander in chief gave several guidelines and noted the need to continue working until

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reaching the potential of 3,000 caballerias of rice in the province's mill.

The province's Defense Council presided over by Fidel also analyzed the topics of the housing problem and the different alternatives to resolve them under the current situation, and the general shape of railroad lines and highways, among others.

The commander in chief voiced an interest in the persons afflicted with polyneuropathy [polineuropatia] in that province. Also attending the meeting were Carlos Lage Davila, Politburo member and Executive Committee vice president, and several ministers.

Castro Congratulates GRANMA on 30th Anniversary

PA0810014895 Havana Radio Rebelde Network in Spanish 1700 GMT 4 Oct 95

[Letter of congratulations from Commander in Chief Fidel Castro to the staff of the newspaper GRANMA on the occasion of the daily's 30th anniversary; date of letter not given; read by station announcers Luis Alarcon and Dulce Maria Corbelle; from the "National Radio News" newscast]

[FBIS Translated Text] [Alarcon] I recall with affection the extraordinary moment in which the newspaper GRANMA appeared as a legitimate symbol of our revolutionary concepts. Perhaps the birth of a publication has never been associated with events as memorable as those that occurred on that 3 October 1965.

[Corbelle] GRANMA's first publication is tangible and historic proof of the establishment of the Cuban Communist Party's first Central Committee, the choosing of our political vanguard's title and, as a milestone, the publishing of Che Guevara's unforgettable farewell letter that touched us all so much and still calls on us today to struggle unfalteringly in all sectors.

[Alarcon] I am linked to GRANMA by many memorable moments of dedication and decisive battles that were won, many times with the precise language and loyalty to the principles that the publication has never abandoned. While the people, as always, view this periodical as a source for authentic information and political analysis and guidance, you have also been a school and workshop in forging countless and valuable professionals in revolutionary journalism.

[Corbelle] Faced with today's challenges in the struggle to resist and develop the country, which is necessarily traveling a long and difficult road, I see you, as I did in the past, as capable fighters, experienced and invincible on all battle fronts.

[Alarcon] On this 30th anniversary, I congratulate you and partake in that celebration with you, and I am absolutely certain that you will continue to improve the work so that GRANMA will always be the most faithful and genuine expression of the revolution, the Party, and the interests of the people, at the level of revolutionary journalism that these times demand.

Castro Assesses Sugarcane Harvest Efforts

PA1110004595 Havana PRENSA LATINA in Spanish 1456 GMT 10 Oct 95

[FBIS Translated Text] Havana, 10 Oct (PL) — GRANMA daily today made public that Cuban President Fidel Castro stressed that the recovery in the sugar sector coincides with the reemergence of other sectors of the country's economy.

The official mouthpiece of the Communist Party of Cuba [PCC] published, in its inside pages, the head of state's participation in a recent meeting held in this capital to close the training cycle for high-ranking Sugar Ministry (Minaz) officials from the 14 provinces of this Caribbean nation.

According to the article, Fidel Castro affirmed that "the sugar sector is now working as demanded by the special period, which is a name given to the measures taken to overcome the crisis triggered by the disintegration of the socialist bloc and the toughening of the U.S. blockade.

The difficult economic situation the island is experiencing made the 1994-95 sugar harvest record results for only 3.3 million tonnes, according to estimates by local economists. This figure contrasts with the approximately 8 million tonnes produced in the previous periods.

The Cuban leader emphasized that the financing received will trigger better harvests prospects and underscored that, in addition to the lack of resources, negative habits and customs, "which we must correct to eliminate the so-called aggregate inefficiency" have prompted the drop in production.

In predicting a better harvest, Castro said that foreigners, "each day, have more confidence in Cuba and its ability to resist and win. Meanwhile, he added that the conditions to successfully win the battle for efficiency have been created this year.

After stressing the current meaning of the increase in national and international sugar production, he insisted on the need to gauge this industry by how it helps move resources, adding that "beginning with this conviction, the possibilities of financing emerged."

In this context, Castro, who is also first secretary of the PCC, commended the mechanization of the sugarcane

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industry and asserted that it will be absolutely impossible to eliminate it due to the economic problems, because, he argued, the national industry's entire structure is designed for machines.

According to the GRANMA article, Castro was emphatic further on in his speech as he affirmed that "our aspiration is to conserve...the entire population's rights to our sugar industry" but in an efficient fashion, he pointed out.

If the controlling tool is well used, that objective could be achieved and even improved, he maintained.

The president of the Council of State mentioned the union of stability, workers' skills, and organized works as a means to improve the quality of the 1995-96 sugar harvest, on which the results of the next harvest will depend, he said.

We have to conscientiously honor the commitments we made when we were granted credits, the chief of state urged, to consequently define this objective as a major test, in which "we cannot lose a single arroba of sugarcane or a single tonne of sugar."

The Cuban revolution leader urged the 156 directors of the sugar agricultural and industrial mills the Antillean island has to finish weeding all plantations, as well as to devote themselves to the irrigation and drainage necessary to increase sugarcane yields.

Finally, he praised the efforts made in the construction of houses and the implementation of other measures that will guarantee the permanence of the labor force. Castro urged workers to achieve a highly efficient sugarcane harvest that will increase, "as soon as possible, the country's revenues in freely convertible currency."

Castro Views Preparations for Sugarcane Harvest

PA0910031695 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 9 Oct 95

[From the "NTV Newscast"; passages within quotation marks are recorded]

[FBIS Translated Text] Commander in Chief Fidel Castro last night summarized, at the Council of State, the results from the working meeting of the directors of the sugar agroindustrial complexes, which for three days met at the National Center of Sugar Training. Roberto Nanchart has details of the closing day:

[Castro] "Of course, not maintaining the production levels we had maintained has been a tremendous blow for the economy. I estimate we have lost approximately $2 billion in sugar production between 1993, 1994, and 1995."

[Nanchert] For a little over three hours, the leader of the Cuban revolution made statements, asked questions, and offered details on the preparations for the upcoming harvest, a task, according to him, of vital importance for the country. Fidel referred to the external financing and the Cuban commitment to fulfill our obligations, which will definitely increase the prestige of and confidence in the revolution.

In his speech, he discussed the sugarcane harvest preparations, its human and material component.

[Castro] "I think Sugar Industry Minister Nelson Torres has made an excellent explanation of the work we should have done, what we have done, and what we must still do with regard to the agriculture [words indistinct]"

[Nanchert] Compared to preceding harvests, growth is expected for the next harvest. This will be achieved by increasing the crops, [words indistinct], drainage [40-second break in reception]

[Castro] "....amid the special weather of this year. We at the meetings said, well, we have not been able to plant. How much sugarcane do we have left? What must we do? This was the first question, and everyone said we should weed, cultivate, replant, rehabilitate, drain, irrigate if there is no rain in a specific month, use the fertilizer in an optimum manner."

[Nanchert] The commander in chief stated he is firmly convinced sugar production can be increased. That industry, he reiterated, cannot fail the country. Fidel explained that the expected growth will allow authorities to finance other activities and, therefore, guarantee the continuity of development.

[Castro] "The more sugar we produce, the more resources we will be able to obtain for the 1997 harvest. This is elementary. It is very important. We cannot ignore this. We will have more resources for rice and other crops that need financing, for the agriculture in general because this will consolidate confidence in the country."

[Nanchert] The first secretary of our party added that we are now working in the sugar sector in keeping with the present conditions. He discussed matters pertaining to the world economy and the international market, where increases in the prices of basic foodstuffs are expected. This forces us to wage a superior effort on all fronts.

Fidel outlined other important tasks our state is confronting. On the recent adversities in Pinar del Rio and concerning the upcoming harvest, he stated:

[Castro] "I think we are making a great effort. This effort must be intelligent, and it must be more intelligent each

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day. I really trust that you will be able to fulfill this task assigned by the Ministry and myself, on behalf of the party. [applause]"

[Nanchert] The working meeting of sugar mill directors concluded last night in a sugar plenary meeting, attended by all the party provincial first secretaries and several ministers. Sugar Industry Minister Nelson Torres briefed our commander in chief on the strategy that Ministry will implement to fulfill the plans, now and in the future.

Fidel provided many details, asked questions, and asked leaders of the [word indistinct] to make an extra effort. They ratified their willingness and commitment to do whatever is necessary and expressed optimism over the country's sugar industry takeoff.

This was, to recapitulate, a historic, necesary, and highly productive meeting.

Sugar Industry Minister Discusses Prospects

PA0910003695 Havana Radio Havana Cuba in Spanish 0000 GMT 5 Oct 95

[Report by Marianela Samper; from the "Evening Information Review" newscast — passages within quotation marks recorded]

[FBIS Translated Text] Cuban Sugar Industry Minister Nelson Torres outlined the evolution of the vital sugar sector of the national economy to participants at the international sugar workshop "The Market in the Mid-1990s." He recalled that, starting in 1960 and as a result of the elimination of the sugar quota and the blockade imposed by the United States against the island, it became necessary to redirect exports and make a big effort to keep the sugar mills operating, most of which were built using U.S. equipment.

He stated that beginning in 1985 a process to expand the production of sugar and its by-products began through the mechanization and modernization of existing sugar mills and the construction of eight new sugar mills using new national technology and with a capacity to process 7,000 tonnes of sugarcane per day each.

He stressed that the mechanization of farming procedures involves all of soil preparation. In addition, the minister stressed this represented not only represent a technological contribution of great repercussion for producitivity and the sugar economy but also humanization for agricultural workers. At some point, approximately 350,000 men were used in this difficult task.

Beginning in 1990, with the fall of the socialist bloc, the sugar industry received a punishing blow by losing the bulk of its export market and the source of supply of inputs. This situation resulted in the exodus of qualified personnel and alterations in technological and working discipline.

[Torres] "In light of this complex situation, our Ministry has undertaken actions aimed at recovering the levels of supply of sugarcane and sugar, the creation of the Basic Cooperative Production Units in the sugarcane industry, which was the most important and revolutionary measure and which resulted in a change in the property of production. We applied a system of management in the agroindustrial sector in correspondence with the present times, based on the decentralization of the authority, responsibility, and transfer of decisionmaking to the agroindustrial complexes and the sugarcane production units. We sought sources and new forms of external financing in order to be able to purchase the indispensable resources in the international market, so as to promote and further the production process. We applied new forms of moral and material stimulation. We recovered for the agroindustry the qualified personnel who had moved to other areas of the economy."

The latest harvest was the one with the smallest production in the revolutionary period, with a little more than 3.3 million tonnes of sugar. The fundamental causes for this centered on the fact that, for four years, no fertilizers were used in plantations and sowing and attention to crops were reduced due to fuel limitations, in addition to the ensuing aging and deterioration of the rootstalk.

[Torres] "But today I can assure you that beginning in the next harvest the decline will stop and the recovery of Cuban sugar production will begin in a sustained manner each year, until we reach in the mid-term the levels required by the country for its social and economic development. This will enable us to increase our exports, in addition to augmenting the production of sugar byproducts.

"Also, a very important aspect to be considered is that as sugar production grows, other industrial areas will grow, such as machinery construction, chemical, food, and light industries, among others."

In a dialogue with the press, the Cuban sugar industry minister commented that no prediction can be made for figures from the upcoming harvest, because the estimates of sugarcane to be milled are still being made.

[Torres] "But having the sugarcane to produce sugar does not only depend on having the sugarcane. We depend on mechanization. The mechanization has suffered a deterioration. We are working to recover the technical state of this machinery. We are trying to achieve a better organization and preparing ourselves to have a better crop. We have also sustained a deterioration in the industry.

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"We have experienced a loss of personnel, but this is a slow process. For the next harvest, we will not be able to have all the personnel with the necessary skills and abilities. Having the sugarcane, which we don't yet have, there are other problems to be resolved. We are working very hard to resolve the same, because we want to see how we can improve efficiency and produce the largest amount of sugar."

Nelson Torres remarked that authorities hope that the 156 sugar mills in the country take part in the milling, but this cannot be presented as a directive. This will depend on the analysis of the volumes of sugarcane and the possibilities of the agricultural machinery.

The starting day of the harvest will also depend on the above elements, but always taking into account that the harvest should not end next May, given weather difficulties.

Regarding the financing from foreign investments in eight territories of the country, he said:

[Torres] "It cannot be said that only the financing results from having a decrease [word indistinct]. They are part of it but there is a group of measures that have been present, which I explained in my speech.

[Unidentified reporter] "How much is the percentage of financing?

[Torres] "At this time foreign financing is estimated at 50 percent. This corresponds to an amount of 56 million pesos.

[Reporter] "[words indistinct] will depend on the next....

[Torres, interrupting] "We are trying to do it, but it does not depend on us alone. How are you going to ask us about something that also depends on financiers?

[Reporter] [words indistinct] foreign investment for all 156 sugar mills?

[Torres] "They are in specific territories.

[Reporter] "How many provinces have been guaranteed foreign investments?

[Torres] "Eight provinces have been guaranteed foreign investments. We have discussed this and we, both the financiers and us, believe it will be good to continue in this business. We cannot harbor very large expectations about growth, because we may be let down, and it would not be objective. We must advance little by little but in a firm fashion, so as not to lose any more ground. Our currency is fundamental, and it is the currency of our work."

Views Recovery, Production

PA0810172095 Havana Radio Havana Cuba in Spanish 0000 GMT 5 Oct 95

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Cuban Sugar Minister Nelson Torres has said that starting with the next harvest, the decline in production will halt and the sustained recovery of the country's main export will begin, until it reaches the levels our economic development requires in the medium term.

Speaking at the international sugar workshop dubbed The Market in the Mid-1990's, the Cuban minister said the recovery of the sugar industry will increase exports and the production of sugarcane by-products, in addition to bolstering other industrial branches, such as machine-building, chemistry, food, and light industries.

Torres the Cuban state has began actions that include the creation of basic production units and the search for new ways of foreign financing, which include eight areas of the country for a total of $116 million.

He said that both actions have managed to halt the drop in production and that increased production will take place gradually and will never diminish. That represents our work's foreign currency, the minister said.

Cubazucar President on Sugar Industry Recovery

PA0610204895 Havana PRENSA LATINA in Spanish 0734 GMT 4 Oct 95

["Exclusive" article by Alberto Betancourt Roa, president of the export company Cubazucar, entitled: "Cuba, Current Situation in the International Sugar Market"]

[FBIS Translated Text] Despite the decline in sugar production in Cuba and the subsequent decline in the level of its exports, our country has remained on an equal footing with the leading world sugar exporters.

The recovery, which should begin with the next sugarcane harvest (1995/96) will again place us at the forefront among exporters in a relatively short time.

Despite all the difficulties, Cuba is currently exporting sugar to about 30 cocuntries in the world, and Cubazucar, the only company in Cuba exporting sugar, honey, and alcohol, is among the leading sugar marketing firms worldwide.

Since its foundation in 1962, our enterprise has not only handled sugar exports to the Socialist Bloc. It has also sold sugar to capitalist countries at a volume that ranks Cuba as the main exporter to the so-called "free market."

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This accounts for Cubazucar's experience and prestige in the international sugar market, which has made it possible for the country to receive most of its financial aid during this very difficult time for the Cuban economy.

If the prestige of Cubazucar as an exporting company is important in earning the confidence of commercial firms, investors, and financiers, it must be stated that this confidence is based, above all, on the Cuban sugar industry's ability to recover its prodcution, as demonstrated for the past four centuries. [as received]

Another important factor for foreign capital investments is the existance of a stable government able to cope with the new conditions, preventing the social convulsions that usually accompany changes resulting from economic adjustments.

The third and no less decisive advantage of the Cuban sugar agroindustry that makes it attractive to foreign partners is having intelligent and skillful workers capable of assimilating technological advances no matter what their complexity.

Cuba has a creative and progressive sugar agroindustry, ready to confront yintelligently any difficulty that may arise.

A great number of commercial firms and international banks have already decided to finance our agroindustry, providing the resources necessary for the recovery of our sugarcane production, which is the critical point that will determine the levels of the next sugar harvests.

Those firms and organizations are confident in a short-term recovery, which should begin showing its first signs during the next harvest. For the past few months, the country has been receiving material resources the shortage of which definitely contributed to the decline in sugar production. In addition, sugarcane producers have been using those resources more effectively. The task undertaken by the Cuban agroindustry is far from easy.

Until 1991 we had a market under special agreements that guaranteed the placement of production volumes that the industry could supply. In addition, we could obtain just and profitable prices for most of the sugar we exported. For a long time, this enabled us not only to cover production costs, but also to contribute considerable resources to the national budget.

At present, the situation is different: We must protect our traditional markets at all times, because with the fall of the Socialist Bloc and the USSR, guaranteed markets for our sugar disappeared, as did special prices.

Therefore, we must try to make the best of the opportunities offered by the only market where we can currently sell our sugar: the so-called free market, with the prices established therein.

We can still regain a large part of the traditional markets for the volume of sugar we produce. However, independently of the actions that Cubazucar might adopt to achieve the highest levels of sugar sales possible, it would be unrealistic to believe that prices that existed in the past will return.

The task is clear: We must work toward the recovery of sugarcane production to reasonably take advantage of the current conditions, and at the same time we must produce sugar at the lowest cost, without allowing any squandering, as the only way to have a profitable agroindustry.

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Sugar Production and Exports (1989-1994)

(in metric tons)

Year	Production	Exports
1989	7,579,007	7,123,312
1990	8,444,702	7,171,762
1991	7,623,000	6,767,000
1992	7,013,000	6,086,000
1993	4,245,716	3,661,955
1994	4,000,000	2,503,476 (1)

1. Includes only sugar exports from January to May.

Sources: Sugar Yearbook, 1989, 1991, and 1994. Cuba Report, The Economist Intelligence Unit, No. 2, 1994, p.38, ISO Statistical Bulletin, Vol. 50 No. 11 and 12. Cuba Business, Vol 7, No. 15, 1993. [all names transmitted in English]

Ministries Implement Immigration, Labor Procedures

PA1010124795 Havana Radio Rebelde Network in Spanish 1800 GMT 9 Oct 95

[From the "National Radio News" newscast]

[FBIS Translated Text] The Labor and Interior Ministries have put into effect a new immigration and labor policy for foreigners and individuals without citizenship who might be arriving in or are living in Cuba. Foreigners and part-time residents contracted for temporary work in Cuba must have a Labor and Social Security Ministry work permit, good for one year with an option to extend. Employers will be responsible for applying for the permit. The new regulations prevent Cuban job service enterprises from establishing working relations with foreigners or people without citizenship who do not have a valid work permit. Employers are given 90 working days to register employees who are not properly registered and to renew work permits at the immigration office.

Vice Foreign Minister on Upcoming Summit

PA1010202795 Havana PRENSA LATINA in Spanish 1727 GMT 8 Oct

[FBIS Translated Text] Havana, 8 Oct (PL) — Vice Foreign Minister Jorge Bolanos said in this capital today that Cuba will express its views at the upcoming Fifth Ibero-American Summit of Heads of State and Governments on the way in which neoliberalism is hindering education.

Bolanos explained that the implementation of this system in Latin American and Caribbean countries has resulted in fewer classrooms and teachers, more dropouts, less access to universities, reduction of educational budgets, and deterioration of the quality of teaching.

In interview granted to weekly JUVENTUD REBELDE, Bolanos noted the need to change the rules of the game concerning education in Latin America in view of the setback in education "in the so-called lost decade of the eighties alone."

Regarding the summit, which will take place in the Argentine city of Bariloche from 14 to 17 October, Bolanos said that other main topics to be reviewed by the presidents will be health and unemployment. He added that the latter has gone up as high as 20 percent among the active labor force in the region.

Drug trafficking will be another important issue, and there is even a proposal to hold a world conference on the subject, supported by Mexico and Colombia, he stressed.

Bolanos recalled that Ibero-American Summits are mechanisms for concerted actions, reflection, and awareness of problems affecting the participating countries.

There is interest in organizing the summits better by creating an instrument for effective follow up and although there will always be financial problems due to Latin America's economic situation, we must make sure that agreements are implemented, he concluded.

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Justice Minister on Struggle Against Drug Trafficking

PA1110004495 Havana PRENSA LATINA in Spanish 1542 GMT 10 Oct 95

[By Ulises Canales]

[FBIS Translated Text] Havana, 10 Oct (PL) — Cuba is attending the 7th Meeting of Heads of National Organizations in Charge of Combating Drug Traffic (HONLEA) currently being held in Havana and which is already producing positive results in personnel training and technological equipment.

Taking advantage of its geographical position, right between the continent's biggest drug producers and consumers (South America and the United States, respectively), Cuba now has incorporated foreign assistance into its uninterrupted national action in this field.

Speaking for PRENSA LATINA, Carlos Amat Flores, Cuban justice minister and president of the National Drug Commission, pointed out that in the past few years his country increased the professional training of its police force and availed itself of certain technical instruments for this work.

"We are truly making great progress in training the personnel who must deal with this problem. We are aware that, although Cuba has always kept its society away from drugs, it is a scourge that could harm us," Amat said.

He added that the frequent bundles of drugs that wash ashore on Cuba's coast have affected the island and that these drug bundles can represent a temptation for certain individuals desiring to obtain some dollars by trafficking in and supplying drug to tourists.

In addition, he recalled that a few days ago the media reported one person was arrested while attempting to use Cuba as a transit country to smuggle drugs to other countries.

"In this regard, I would say the most important result we have brought to the meeting is improved training of personnel and the acquisition of technical resources to wage this struggle according to the circumstances," he said.

Referring to multinational cooperation in this field, Amat said he favors joining efforts and completing the integration of actions for the common good. Nevertheless, he underlined the principle of not harming national sovereignty or the rights of other countries.

The president of the 7th HONLEA meeting recognized the significant contribution of the UN program to supervise drugs, a program from which Cuba received $1 million. He also praised material and technical cooperation from other countries, like Great Britain.

As for Latin America's and the Caribbean's cooperation in fighting drug trafficking, Amat said that his country has signed bilateral agreements with at least eight countries, including Mexico, Venezuela, Brazil, Argentina, and others, as well as memorandums of understanding with Colombia and some Caribbean islands.

Amat pointed out that if there is one point on which Cuba's willingness to cooperate in fighting and persecuting drug trafficking is evident it is precisely cooperation with international and local organizations and countries like the United States, with which Cuba has not had relations for more than 30 years.

Despite the tension between the two governments, information has been exchanged under certain circumstances to facilitate the U.S. authorities' work, he said. He regarded strengthening and making these ties official, which are only operational so far, as mutually beneficial.

Foreign Ministry Spokesman on Relations With EU

PA0910192095 Havana Radio Havana Cuba in Spanish 1300 GMT 6 Oct 95

[From the "Morning Information Review" newscast]

[FBIS Translated Text] During his weekly meeting with the media, Cuban Foreign Ministry Spokesman Miguel Alfonso has said Cuba has always been amenable toward maintaining relations of absolute normalcy and more cooperation with the European Union.

Alfonso has said Cuba had been aware of the decision adopted in Luxembourg on 2 October on the opening of a dialogue with the island with a view to defining the framework of future cooperation. He has said the government was waiting for an official communique to learn of the measures that would develop from the agreement with the EU.

The Cuban Foreign Ministry spokesman has also said reports by certain foreign news agencies about possible confidential talks between the Vatican and the U.S. Government regarding a future lifting of the blockade against Cuba were mere speculation.

In response to reports about Pope John Paul II disclosing that he had not been invited by the Cuban Government to visit Cuba, Alfonso has said such an invitation is the responsibility of the country's bishops with the acquiescence of the country's authorities as established in protocol guidelines.

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Health Minister on Effects of Blockade on Sector

PA0710015695 Havana PRENSA LATINA in Spanish 1603 GMT 4 Oct 95

[FBIS Translated Text] Havana, 4 Oct (PL) — Cuban Health Minister Carlos Dotres Martinez today defined the U.S. blockade against Cuba, in force for over three decades, as genocidal and stressed its detrimental impact on the important health sector.

Dotres told GRANMA that "if a country as powerful as the United States decides to literally strangle and destroy a state like Cuba that subsidizes public health, in that measure it blocks the macroeconomy and hinders the possibility the country has to carry out investments in the health sector."

Dotres stressed that the blockade also establishes all types of prohibitions to prevent Cuba from purchasing medicine, equipment, medical tools, and spare parts that are vital to maintain the until now favorable health indicators.

Today, Cuba allocates 7.8 percent of its gross domestic product to the health sector, said Dotres. He added that even at moments of economic difficulties, the Health Ministry counts this year's financial resources as larger than those allocated in 1994.

We have, Dotres noted, "the best health system at the primary attention level that any third world country could have," as approximately 96 percent of the population receives attention from family doctors and nurses (professionals who take care of approximately 120 families in their own community at their family doctor house-office).

Dotres, who was appointed Health Minister four months ago, indicated that one of the sector strategies is to strengthen primary attention even further, recover the drive of hospital care, and tune the programs of advanced technology (cancer, kidney failure, cardiocenters, and others).

He mentioned that the development of pharmaceutical production, traditional and natural medicine, and special attention to areas such as stomatology, optical services, ambulances, and others have been seriously affected by the shortage of material resources for the past five years.

Remirez Designated Interest Section Head in Washington

PA0710003195 Havana Radio Rebelde Network in Spanish 2300 GMT 6 Oct 95

[From the "Exclusive" newscast]

[FBIS Translated Text] The Ministry of Foreign Relations has reported that the Council of State has designated comrade Fernando Remirez De Estenoz head of the Cuban Interest Section in Washington, maintaining his condition of first vice minister, a position he held at the time of his designation. Remirez De Estenoz will replace comrade Alfonso Praga Perez, who served for a period of three years as head of the Interest Section and will now assume duties at the Ministry of Foreign Relations of Cuba.

Uruguayan Environment Minister Addresses Forum

PY1110014195 Montevideo LA MANANA in Spanish 28 Sep 95 p 11

[FBIS Translated Excerpt] Housing and Environment Minister Juan Antonio Chiruchi has participated in a ministers forum in Havana, Cuba. During his speech Chiruchi called on nations to look after our environmental wealth and expressed his rejection of "nuclear tests in our backyards."

Chiruchi participated in the "11th Latin American and Caribbean Environment Ministers Meeting" in Havana. The visit to Cuba is within the framework of his tour of Europe and the Americas.

Chiruchi said in his speech that "we cannot have sustainable development without peace." The minister thus called on Latin American nations "to guard our environmental wealth" from what he defined as "nuclear tests in our backyards," implicitly referring to France's nuclear tests in Mururoa.

Environmental Evaluation as a Protection Mechanism.

In his speech, Chiruchi referred to the need to consolidate this regional mechanism as a political tool to orient the implementation of a common environmental agenda.

The minister said that the legislation on the environment in our country establishes that projects must produce a report evaluating the project's environmental impact before approval.

Chiruchi said: "These evaluations are essential for the implementation of a project and to respect investors and natural resources that might be affected."

Total Rejection of Nuclear Tests.

When talking about conditions to the process of development in the region, Minister Chiruchi said economic policies must contemplate environmental costs.

The minister said "it means that we must incorporate the real cost of the use of a natural resource to a product's cost and transfer that cost to the product's final price."

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The minister said we must also examine the role of women in modern society and "reevaluate their role as housewives, which must be considered a basic pillar in environmental strategies."

One of the strong points in Chiruchi's speech was his remark that "we cannot have sustainable development without peace, or peace without democracy," referring particularly to the need to guard our ecosystems. Chiruchi added that the ideal thing would be to promote state policies decentralizing development and enticing people to participate.

Juan Chiruchi concluded by saying that our region is potentially rich and wants to be, in the coming century, the largest food-producing region in the world, which makes poverty unjustifiable. Chiruchi also said that "in order to see this highly favorable forecast become true we must guard our products with environmental policies and emphatically reject nuclear tests in our backyards." [passage omitted]

South African Charge d'Affaires on Prospects for Trade

PA0910203795 Havana Radio Rebelde Network in Spanish 1700 GMT 6 Oct 95

[Report by Lilia Sadena from the "National Radio News" newscast]

[FBIS Translated Text] To determine the state of relations between Cuba and South Africa, which were established in May 1994 and are on a good path, Sadena has spoken with Jacque Lagrange, South African charge d'affaires in Cuba:

[Begin recording] [Lagrange] We value [words indistinct] very highly, proof of which is Foreign Minister Alfred Nzo's forthcoming trip to Cuba between 11 and 13 October 1995.

[Sadena] What are the prospects for trade, economic, and political cooperation?

[Lagrange] At this time, there are prospects of trade exchange cooperation with Cuba for such things as the production of sugar, fruit, and [word indistinct]. Cuba is also a market for South African [word indistinct], and we can offer competitive prices on certain products. Cuba is also a source of investment for South African investors, specifically because of its new investment law, which makes it a much more attractive country. There are also considerable possibilities of technological exchange in such areas as health, medicine, pharmaceuticals, and agriculture. There are a number of possibilities, but the South African side must [word indistinct] and encourage Cuba. [end recording]

Russian Spokesman Cited on Importance of Soskovets Visit

PA1010192795 Havana PRENSA LATINA in Spanish 1704 GMT 6 Oct 95

[FBIS Translated Text] Moscow, 6 Oct (PL) — Russia believes that First Deputy Prime Minister Oleg Soskovets' official visit to Cuba will strengthen relations in the interests of both peoples, it was announced today.

Soskovets and a delegation of businessmen interested in developing economic and trade relations will visit Cuba 11-16 October.

Yuriy Mikhaylov, a Russian Government spokesman, told PRENSA LATINA that Moscow gives special importance to the talks in Havana, aimed at promoting renewed and balanced cooperation based on the great potential of bilateral relations.

Mikhaylov stressed that the Kremlin wants to increase cooperation in the sectors where infrastructure was created during long years of interaction.

Moscow believes those factors are a solid starting point for sustained development of economic cooperation, Yuriy Mikhaylov said.

He also said that the visit to Cuba will add important and decisive momentum to the cause of promoting bilateral relations.

One of the main objectives of the talks is to sign a protocol on exchange and reciprocal payment for the next three years to stabilize economic links, Mikhaylov stressed.

Commentary Views EU's Caveat for Transition to Democracy

PA0810200495 Havana Radio Havana Cuba in Spanish 0000 GMT 5 Oct 95

["Viewpoint" commentary read by Norberto Hernandez Valdes: "Cuba and the EU, a Meaningful Rapprochement;" from the "Evening Information Review" newscast]

[FBIS Translated Text] Cuban Foreign Minister Roberto Robaina, upon his return from the United Nations where he participated in the 50th regular session, reiterated that the priorities of Cuba's foreign policies are first and foremost struggling against the economic blockade imposed by the Washington government for more than 30 years, confronting anti-Cuban campaigns, and democratizing the United Nations. These statements by Robaina coincide with the news that the EU has agreed to carry out exploratory contacts with a view to reaching

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a bilateral cooperation agreement with Cuba. An EU mission is already in Havana and will participate in the third meeting of studies on Europe, which will inaugurate a cooperation project with the island.

The EU agreements had a catch, however, a dark detail, when the caveat was added as to the need to encourage a peaceful transition toward democracy in this country, and the Cuban Government reminded of the importance the EU gives to human rights.

Cuba has repeatedly made it known that it will not accept any preconditions to carrying out agreements with other countries. Cuba's foreign policy, reiterated by Foreign Minister Robaina, is open in attitude when it comes to the economy and politics, without altering its principles, without granting onerous or humbling concessions.

The Caribbean nation has been having serious economic problems since the disappearance of Eastern European socialist countries, headed by the Soviet Union. The U.S. economic blockade fell upon Cuba with all its might and intends to make Cuba surrender and subordinate the island to U.S. interests.

Every time there is word of a democratic transition in Cuba, it is well understood that it is a U.S. style democracy. The fact Cuba has a democratic regime, with the broadest popular participation, is disregarded. To point out interests in human rights also means an unfair charge that this country does not respect them, when it has been repeatedly proven that the greatest asset of the Cuban Revolution is the well-being of the Cuban, respect for his rights, and attention to his needs.

As if it were a principle pointed out by the thoughts of its national hero, Jose Marti, Cuba is interested in having economic relations with several countries, not just one, much less if it is such a powerful and meddlesome neighbor as the United States. These diversified relations should be conditioned only by mutual convenience, mutual respect, and fair treatment.

Cuba, as its Foreign Ministry has duly declared, would be very pleased if an economic agreement were reached with the EU, which has refused to join the anti-Cuban economic blockade and where this country has many friends among its governments, personalities, and peoples.

To this end, positive steps will be taken, presided over by bilateral goodwill and the desire for success, and let it be.

Report on Upcoming Castro Visit to Uruguay

PA0610192295 Havana Radio Havana Cuba in Spanish 0000 GMT 6 Oct 95

[Report by correspondent Osvaldo Burgos from Uruguay; from the "Evening Information Review" newscast]

[FBIS Translated Text] Hello friends, it is a pleasure to be in contact with you from Montevideo, Uruguay. This is Osvaldo Burgos. One of the most important news reports in Uruguay continues to be the upcoming visit by Cuban President Fidel Castro, who was officially invited by the Uruguayan Government.

Every day, the national media carries important news reports on the visit of the Cuban president, 36 years after he first arrived at Carrasco Airport in 1959. On that occasion, we recall, he was greeted by the National Party administration headed by Martinez Yegoyen, president of the Council of Government, while prominent Colorado Party leaders, such as Manuel Flores Mora, now deceased, were waiting for him in the Victoria Plaza Hotel in downtown Montevideo.

Fidel Castro will be received at Carrasco International Airport with all the honors befitting a chief of state. He will hold meetings with Uruguayan President Julio Maria Sanguinetti in the official Suarez Residence and will pay tribute to Uruguayan forefather Jose Gervacio Artigas and Cuban forefather Jose Marti on the occasion of the centennial of Marti's death in combat.

Although the official agenda has not yet been disclosed, several social and political organizations in Uruguay and the Coordinating Board in Support of the Cuban Revolution have called on citizens to attend all of the public events in which Fidel will be participating.

Uruguayan President Julio Maria Sanguinetti visited Cuba in 1959 as a reporter for the newspaper ACCION, which was the mouthpiece of the Colorado Party and which no longer exists. Sanguinetti was 23 years old and had traveled to Cuba as a reporter a few days before the new Cuban Government took power. Now, Julio Maria Sanguinetti, although he has not stopped writing, will have the task as Uruguayan president of receiving Fidel Castro. Surely, the weekly newspaper BUSQUEDA states, the Uruguayan president still recalls the criticism voiced by the rightwing sector of the Colorado Party for the notes he wrote from Cuba.

During his visit to Uruguay, in addition to the meetings he will hold with the Uruguayan president, Fidel Castro will also meet with Dr. Hugo Batalla, vice president of the Republic and president of the National Assembly, and with Guillermo Steel, president of the Chamber of Deputies. Also, the Coordinating Board in Support of the Cuban Revolution has organized an event to commemorate Che Guevara, which will conclude with a concert by a Cuban musician.

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Haiti

OPL Elected Representatives Reaffirm Commitments

PA0610224095 Port-au-Prince Signal FM Radio in French 1030 GMT 6 Oct 95

[From the "Waking Up Newscast"]

[FBIS Translated Text] The elected senators and deputies of the Lavalas Political Organization [OPL] reaffirm their willingness to respect their commitments. The OPL senators and deputies elected in the recent legislative elections have promised in a declaration published yesterday that they will do all they can to live up to the responsibilities entrusted to them.

During a meeting held on 3 October in Montrouis, the 54 OPL parliamentarians — 42 deputies and 12 senators including Samuel Madistin, Elie Plancher, Herard Pauyo, Paul Denis, and Fritz Robert Saint-Paul — congratulated all the "around the table" [Lavalas] elected representatives and thanked the voters and the Haitian people for the confidence placed in them by giving them a mandate of legislator. They also asserted to the parliamentarians of the Lavalas Political Platform [PPL] and the entire Lavalas movement their determination to continue together the struggle around the table to further the objectives of the democratic and people's struggle within the scope of the commitments to which OPL says it has subscribed in the PPL charter.

OPL extends its greetings to all other elected representatives and invites them to constructive work to the advantage of all sectors of the population of Haiti. I remind you that 66 deputies and 17 senators were elected under the banner of PPL, a political platform close to President Aristide that includes OPL, the Movement for the Organization of the Country, and the Open the Gate Party, and which widely won the legislative, municipal, and local elections of 25 June, 13 August, and 17 September.

No date has been officially set for the opening of the sessions of the 45th legislature.

Deputies Attend Inaugural Ceremonies 9 Oct

PA1010174095 Port-au-Prince Signal FM Radio in French 1030 GMT 10 Oct 95

[From the "Waking Up" newscast]

[FBIS Translated Text] Word from Parliament is that the 46th legislature is likely to open on 15 October.

A total of 64 deputies attended yesterday's inaugural ceremonies at the Chamber of Deputies' invitation. A provisional office within the Chamber of Deputies will oversee legislative work until the legislature opens. Deputy Ernst Pedro Casseus, 62, is considered the Chamber's most senior member. He and the two youngest deputies, serving as secretaries, will head this office. This office is tasked with establishing the structures needed to verify and even certify the deputies' powers; to hear the deputies take their oaths; and, possibly, to deal with day-to-day matters. Six special commissions were set up yesterday to help this office carry out its duties. The commissions will have to certify the deputies' powers. Casseus commented at yesterday's inaugural ceremonies:

[Begin Casseus recording] The provisional office will establish the structures needed to confirm and certify the deputies' powers; to hear the deputies take their oaths; and, possibly, to deal with day-to-day matters.

Article 5. The powers of the elected deputies who are present are certified by special commissions whose members are chosen from the Permanent Electoral Council's list in order of registration. Each commission designates a president and a reporter and will be made up as much as possible of an equal number of elected deputies. The first verifies the powers of the second and so on. The last commission verifies the powers of the members of the first commission. The powers of deputies elected in by-elections are certified by a seven-member commission appointed by the president, unless the assembly decides differently.

Article 6. The reports of the commissions are [words indistinct]. [end recording]

Inaugural ceremonies for the senators will be held on 11 October. The Senate published a call to all senators yesterday, inviting them to a meeting at about 1100 at the Haitian parliament.

Work at the Chamber of Deputies will resume as scheduled this morning.

Deputies To Elect Chairman, Office Members

PA1010222095 Port-au-Prince Radio Metropole in French 1900 GMT 10 Oct 95

[FBIS Translated Text] Toward the opening of the legislative sessions: The deputies were sworn in this morning after their powers were validated yesterday. They will elect — most likely before the end of this week — the president and the members of the office of this branch of the parliament.

For their part, the senators already in post had to meet today before meeting tomorrow with the other members of the Senate, the newly elected representatives.

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Zedillo Arrives in Washington, Discusses Debt With Rubin

PA1110033895 Mexico City XEW Television Network in Spanish 0400 GMT 10 Oct 95

[Report by Guillermo Ortega in Washington from the "24 Hours" newscast — live]

[FBIS Translated Excerpt] President Ernesto Zedillo arrived at 2110 Washington time, 1910 Mexico time. With great sadness the president began this trip for his official visit to Washington. He deplored what happened this afternoon in Mexico, meaning the death of persons in Colima and Jalisco States, where an earthquake occurred. This has already been reported by the 24 Hours newscast.

He traveled to Washington, where he arrived at 2110 local time, as I said. He will meet with U.S. Secretary of Treasury Mr. Robert Rubin. The president arrived at Andrews Air Force Base and was transferred by helicopter to the Washington Monument. He was later taken to Blair House, where heads of state and distinguished visitors to this country are lodged.

He met with Robert Rubin at Blair House for 45 minutes. They talked about Mexico's economic situation and about the financial aid provided by the U.S. Government since the crisis began. They also talked about the Mexican Government's decision, adopted last week, to pay ahead of time $700 million of this financial aid program offered by the United States to our country. That was the Mexican President's only activity this evening. [passage omitted]

More on Zedillo's Activities

PA1110025195 Mexico City Radio RED Network in Spanish 0000 GMT 11 Oct 95

[Live report by Victor Manuel Subersa from Washington, D.C.]

[FBIS Translated Text] [Announcer] Good evening, Victor.

[Subersa] Good evening, listeners. I have a short summary of the activities and part of the speeches delivered by the president of the Republic in his first official visit to the United States. I must underline the political climate and style that prevailed in the meeting. I will now start this report, which will be very short.

President Bill Clinton said: Mexico is a partner of the United States and, therefore, we should work together. Whenever there are disagreements, they should be discussed.

Clinton said that, although the United States is a country of immigrants, it is also one of laws and that, for this reason, the border should be shrunk to prevent illegal immigration and increase the people's security. He announced that in 1996, the United States will increase the number of police at the border by 60 percent. Clinton said these actions will be taken while protecting the people's dignity and rights. He also said that he has received President Zedillo's proposal to initiate a pilot program in the San Diego area, which consists of returning to their home towns the Mexicans who have illegally crossed the border again and again.

Zedillo, in turn, said he agrees that laws must be obeyed and the people's rights and dignity should be respected. He said this is consistent with agreements to guarantee an orderly, safe, and honorable repatriation of illegal Mexicans to the various ports of entry.

In a joint news conference, the two presidents reported about the subjects discussed in the single round of talks, which included NAFTA, already a reality proving its worth; struggle against drug trafficking, which corrupts institutions; money laundering, and the mental health program at the border.

The financial aid package only intends to have Mexico stay on the path of democracy and prosperity. This is what I want, President Clinton said, and added that he is not after special favors or concessions for the United States. Later, Clinton said the only way to prevent Mexico from being mistreated is by dealing with facts. In response, Zedillo said the financial support for the government which he leads does not in the least detract from national sovereignty.

[Begin Zedillo recording] All of the decisions we have made to confront the crisis have been indispensable so that the Mexican economy can soon enter a definite process of recovery, economic growth, and creation of jobs. [end recording]

In the Department of State, Zedillo attended a lunch hosted by Vice President Albert Gore. At the lunch, Zedillo said: We should leave behind recurring episodes of recrimination and hasty conclusions between Mexicans and North Americans. He extended an invitation to all those who see Mexico through stereotypes to visit and get to know Mexico, its way of living, culture, and history. Zedillo attended the OAS Permanent Council's protocol session, where, in an open reference to Cuba's reincorporation into the OAS, he demanded that the organization let itself be enriched with the presence of all Latin American countries.

Zedillo met with Representative Newt Gingrich and Senator Robert Dole. At this time, Zedillo is attending a dinner hosted by President Clinton at the White House.

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This is a very short report on Zedillo's activities. I have earlier reported on the reception ceremony.

[Announcer] Victor Manuel, how is the political climate for this meeting? We have already seen some images showing the two presidents and their interpreters. We have seen the presidents in cordial conversation.

[Subersa] That is what I was referring to at the beginning of my report, Enrique. They discussed important topics for both countries, but they were discussed in a very political manner. For example, Clinton has not disregarded the support given for the economic adjustment program in Mexico, which was necessary to face the crisis that erupted last December and still continues, but he has also continued to bring up topics that interest his administration, especially the border problem, the immigration problem.

Clinton said the topics, the problems, and the differences should be directly discussed. That was the case with the announcement he made here today during the framework of the visit. Even though it is true Clinton recognized he was right when he decided to grant a financial package to the country, he also brought up a topic of special interest, which is the reduction of immigration in order to avoid citizens' insecurity. He said this type of policies will be conducted. He said the number of border patrol officers will be increased by 60 percent, but they will show respect for the persons' dignity.

Zedillo was very political in this regard and said he agrees that laws should be respected, but with the condition that the dignity and rights of persons are respected.

Observers from the various Mexican media have referred to this as the resumption of the honeymoon. Some may recall that relations between Mexico and the United States reached their highest point when the two countries were ruled by George Bush and Carlos Salinas de Gortari, respectively.

As for the history of the relations between the two countries is concerned, some correspondents have said a type of honeymoon has been resumed, not only between two countries that were friends or neighbors, but now that the NAFTA has gone into effect, as two good partners.

The first day of activities conducted by the Mexican president in the U.S. capital was carried on in this political atmosphere, Enrique.

[Announcer] Victor Manuel, finally I would like to ask you, since you have experience in these type of meetings, what was the difference between the meeting with Clinton when Ernesto Zedillo was still candidate and this one, a few months after his inaugural?

[Subersa] Both meetings were radically different. Thanks for helping me remember things. We were outside the White House Press Room, when a Mexican correspondent started using a cellular phone to report on what was going back to Mexico. You remember when Mario Ruiz Massieu resigned, not only from the PRI [Institutional Revolutionary Party] but also from the Attorney General's Office. On that occasion, President Clinton was making a decision regarding the GATT. You must remember that minutes later he received Zedillo, who was Mexican president-elect at the time. I should also remind our listeners that President Clinton is not known for being on time. Today, when the Mexican constitutional president arrived for a state visit, Clinton was only seven minutes late as we had reported. On the previous occasion, the private meeting was very brief. The meeting only lasted between 12 to 17 minutes at the most on that occasion. The meeting at the oval office lasted 45 minutes this time. Those were the differences we noted between the meeting with Clinton when Zedillo was candidate and now that he is head of state. I also noted the cordial treatment given to the Mexican president and the statement that the success of the United States cannot be conceived if Mexico is not successful, both in the economic as well as in the political field. Those were the main differences between the two meetings.

[Announcer] Thank you for this report. We will hear from you later.

Secretary Ortiz on Use of U.S. Financial Package

PA1010163895 Mexico City NOTIMEX in Spanish 2259 GMT 9 Oct 95

[FBIS Translated Text] Washington, 9 Oct (NOTIMEX) — Mexican Finance Secretary Guillermo Ortiz said in this city that progress in Mexico's economic recovery makes it possible to expect that the country will not have to use the remaining of the U.S. financial package. In a news conference at the Mexican Embassy in Washington, Ortiz said: "If things remain as they are now, we probably will not use the rest of the package, at least the U.S. financial package."

Last week, Mexico announced a first payment ahead of schedule of $700 million to amortize the $12.5 billion disbursed of the $20 billion approved by the U.S. Government in January to help Mexico recover from the December financial crisis. Ortiz said that Mexico was able to make this payment because of progress in the economic recovery due to the stabilization program implemented by President Ernesto Zedillo.

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In the news conference, Ortiz said the first payment of the U.S. package will make it possible to extend for between 90 and 180 days some short-term foreign currency exchange lines (swaps) [preceding word in English in the source] worth $300 million and which would become due at the end of the month.

A $2 billion debt in short term swaps is to be due on the last day of October. Of this amount, Mexico will pay $700 million and will refinance $1.3 billion over a medium-term period of time.

Ortiz also referred to IMF, which contributed $18.9 billion to the $50 billion international financial package granted to Mexico. Last week, IMF announced it will deliver $1.6 billion in November. Ortiz said: "Regarding IMF, we have, according to the contract, the right to withdraw from this package when we fulfill the program's goals, precisely what we have done. In November, we will consider whether it is necessary to make the disbursement."

Up until the last day of August, Mexico had received some $11.5 billion from the IMF aid package, according to the Finance Secretariat.

Regarding the economic outlook for 1996 and 1997, Ortiz said that next year's growth will be between 2 and 3 percent and "these figures could be improved" and lower the social cost of the financial crisis in 1997.

Regarding Zedillo's visit to U.S. President William Clinton in Washington tomorrow, Ortiz said the two presidents will talk about the bilateral agenda subjects. "The visit is not to settle specific matters or make an announcement," Ortiz said and added that the economic outlook for Mexico has been materializing according to the recovery program.

"Late this year, more than 95 percent of the debt will have been converted into a long-term debt. Less than $3 billion in Treasury Bonds [Tesobonos] are due to be redeemed in 1996. This is less than 10 percent of what was redeemed in 1995," he reported.

This year, the Mexican Government expects to redeem some $30 billion in Tesobonos. The government expects that, with the anticipated lower redemption of these bonds in 1996 and progress in the recovery, the country's economic growth will rise to 5 percent in coming years.

Zedillo Receives PRC Premier Li Peng

PA1010131595 Mexico City LA JORNADA in Spanish 7 Oct 95 p 5

[Article by Nestor Martinez]

[FBIS Translated Text] Mexico and the PRC agreed yesterday to increase their trade relations, their flows of direct investment, and their technical cooperation.

In the framework of the dialogue held by the governments of both countries, headed by their respective leaders, it was indicated that given that both economies are complementary, it is necessary to strengthen those ties.

In the morning, when welcoming Li Peng, premier of the State Council of the PRC, Mexican President Ernesto Zedillo said, "Mexico is making an effort to establish at atmosphere of strict respect for the sovereignty of every nation in close adherence to the letter and spirit of international law, which, he said, should be solid bases for a new era of shared peace and progress."

The Chinese premier, in turn, invited the Mexican president to pay an official visit to the PRC.

Zedillo told that country's delegation that the visit reinforces the years of solid and fruitful diplomatic relations between both governments and allows for the examination "at the highest level" the topics contained in our bilateral agenda as well as the exchange of opinions about the most important phenomena that characterize the international scene.

Zedillo noted that Mexico and the PRC have shared in the recent past initiatives for a more stable and prosperous, peaceful and safe world that can allow both countries to make mutual efforts in favor of development.

The president said that our countries share the aspiration of reaching the next century in an international context of greater certainty and equality. They share efforts to encourage dialogue among the regions and equal participation of the members of the world community when facing the most serious global challenges.

The Mexican president also pointed out that in the strategy to diversify the country's foreign policy, his government is promoting a constructive and respectful rapprochement with the different regions of the planet with which he hopes to strengthen a frank dialogue with all nations, attain mutually beneficial economic relations, cultural exchanges, and better reciprocal awareness.

Zedillo pointed out that the coincidences of both countries in the central topics of the international agenda makes one see with optimism the future of the relations

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between Mexico and the PRC, who essentially share the same interest in fighting poverty.

Zedillo, however, also surprised everyone when he said Mexico and the PRC also share concerns for the protection of the environment because, as it is well known, that Asian nation has recently conducted nuclear tests that adversely affect the planet.

He said Li Peng's visit to Mexico is the proper framework for the signing of agreements, which will surely expand the legal norms guiding our bilateral relations and allow us to make progress in the consolidation of our exchanges.

Premier Li Peng noted that Mexico and China are two nations united by a long history of friendly exchanges, dedicated to the steadfast struggle for their resurgence.

He stressed that his visit to Mexico is inspired on the purpose of consolidating high-level contacts, increasing reciprocal understanding, promoting friendship, strengthening cooperation for their mutual benefit, and engaging in ties in all dimensions.

After the welcoming speeches, the presidents went to the presidential office to hold private talks, while the working tables were set up.

Accords and Agreements

Three accords and cooperation agreements were reached during the talks: One is on ethnic topics between the Secretariat of Social Development and the State Commission of Ethnic Affairs of China; a memorandum of understanding on matters of telecommunications, and an agreement of academic cooperation between the two Foreign Secretariats.

The first agreement seeks to establish mechanisms that will contribute to the development of specific cooperation programs that will have a key impact on the socioeconomic progress of their respective ethnic groups.

The memorandum on telecommunications includes cooperation through scientific and technical exchange, which can contribute to the negotiation of specific programs in areas such as cellular radio communication, rural telephone projects, interconnection of international networks (satellites, microwaves, and submarine cable), in addition to telecommunications and regulations, among others.

In the academic cooperation agreement, both countries hope to promote the study of relations and contemporary international phenomena with a view to bilateral interests, facilitating the exchange of professors, lecturers, specialized experts and researchers, with the purpose of organizing courses and seminars to train diplomats.

Premier Li Peng Highlights Reforms, Ties With Countries

PA1010125695 Mexico City LA JORNADA in Spanish 7 Oct 95 p 4

[Report by David Aponte]

[FBIS Translated Text] The People's Republic of China has "done away with the ensconcement of the past." The Chinese Government seeks to strengthen reforms and the economic opening to establish a socialist market economy, Chinese Premier Li Peng has stated.

Speaking before Mexican Foreign Ministry officials, he said: "We want to build a socialism with Chinese characteristics."

The presence of the Chinese premier at the Foreign Ministry (SRE) caused the mobilization of grenadiers and elements of the Presidential General Staff, who virtually surrounded the Tlatelolco Tower and only allowed guests to enter the building where Li Peng was to speak.

After Li Peng arrived, policemen arrested about 20 members of the Greenpeace ecology group, who were protesting against the nuclear tests staged by China. Security agents arrested demonstrators and placed them inside patrol vehicles.

Without warning, several men wearing helmets got out of an unmarked white Spirit vehicle and threatened cameraman Marco Ugarte of the Digital Press agency. One of them grabbed him by the neck, while another got his camera film which contained the evidence of the arrests.

A few meters away, in the Alfonso Garcia Robles auditorium, Mexican cameramen were evicted from their assigned places in front of the podium. The photographers decided to leave and their Chinese counterparts took their place.

The Chinese premier arrived at the Mexican Foreign Ministry at 17:22, accompanied by his wife and Mexican Foreign Secretary Jose Angel Gurria. The audience gave the visitor a standing ovation. The Mexican foreign secretary stopped walking to applaud Li Peng.

Immediately, the Mexican foreign secretary presented the Chinese Premier, whom he described as a "statesman concerned about the equality of the peoples," an outstanding politician.

Li Peng took the microphone and delivered an extraordinary speech about Chinese diplomatic and commercial

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relations with Latin America. In principle, he explained the economic progress of his nation, how the gross national product of the country has increased thanks to reforms, and the economic opening.

Reforms for China have meant that 90 percent of the merchandise is market-regulated. The government only controls products of vital importance for the population, with the purpose of maintaining cost stability, he stated.

It maintains its opening abroad in diverse directions to obtain foreign investment, services, telecommunications, and infrastructure. In a few words, China has done away with the ensconcement of the past," he said.

The Chinese politician said reforms and the economic opening are aimed at achieving the nation's development, achieving better national leadership, and increasing the quality of life of the 300 million inhabitants. All of this is given within a climate of political stability.

"Without social stability, neither development nor reforms would be achieved, and in China there are good bases for social stability, because it pays attention to the experiences of other nations, without copying their actions to the letter, but stemming from its own national reality," he stated.

Speaking before members of the diplomatic corps accredited to Mexico and guests of the Foreign Ministry, the prime minister explained his country's strategy toward the Latin American region. China has diplomatic relations with 17 nations and maintains commercial ties with all countries of the area. Both zones of the world have similarities: they struggle for independent, liberty, and development.

"However, we need an international climate of peace and a new, fair and reasonable international order, which will safeguard the economic and social policies of developing countries."

Li Peng added that China seeks to strengthen political ties and dialogue with the region; it wants to establish broader ties of economic cooperation under the principles of equality and reciprocity; it seeks to strengthen extra-government contacts, and seeks to establish diplomatic ties with Latin American nations with which it does not have any. "There are conditions for cooperation," he added.

In his speech, the premier did not mention anything about his nation's domestic policy and did not touch the topic of human rights. Some 20 minutes later he left the Foreign Ministry accompanied by Foreign Secretary Jose Angel Gurria Trevino.

EZLN's Subcommander Marcos Issues Communique

PA0710161895 Mexico City LA JORNADA (PERFIL Supplement) in Spanish 1 Oct 95 pp 1-4

[Communique issued by Subcommander Marcos, leader of the Zapatist National Liberation Front, on 29 September in the La Realidad Zapatist Resistance Center in "rebel" Municipality of San Pedro de Michoacan, Chiapas, Mexico]

[FBIS Translated Text] Through my voice speaks the Zapatist National Liberation Front, EZLN.

Brothers:

Today, 29 September 1995, marks the end of a great social mobilization that covered the entire national territory and a great number of nations in the world. The **National Consultation for Peace and Democracy** [words within slantlines printed in boldface] ends today and a new phase begins in the national dialogue.

We want to thank the men and women in the CND [Democratic National Convention] who created the Promoting Directive Committee, the brothers in the National Civic Alliance who created the Organizing Directive Committee, the State Conventions, state Civic Alliances, and the thousands of Mexican men and women who promoted and organized the Consultation, of which the main beneficiary was the peace process.

We also want to thank the men and women of the CND who participated in the International Liaison Commission, our brothers who in North, Central, and South America, Europe, Asia, and Oceania organized the Consultation in their respective countries and who, from nations having similar or different history, helped with their voices to express a message for a new and better peace for Mexicans.

Brothers of the Civic Alliance have made a great effort and have given the country and above all the government and political parties, a beautiful lesson of unselfishness and organization. With the organization of the National Consultation, Civic Alliance has proven to be a reliable and honest channel for Mexican citizens to hold a dialogue among themselves. No one, not even the feeble-minded members of the criminal bureaucracy that governs us has dared question the credibility of the consultation. This is possible because of the impeccable reputation of the members of the Civic Alliance.

Civilian Army

Cheers, brothers of the Civic Alliance. Receive our admiration and respect. Your contribution to the cause of peace with justice and dignity is something that no

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one will ever deny. We want to thank the men and women who are members of the CND, and those who without being members of the CND, participated in the promotion of the consultation. You represent the will of civilian society, the will for a new peace, of peace that will not be hypocritical, that will not be a disguised war. Thousands of Mexicans who mobilized knowing that their only gain would be the satisfaction of having accomplished their duty. They not only knew that their economic situation would not improve with their work, which demanded efforts, time, and sacrifice, but that they would also have expenses. Those same people are the ones who have averted war every time the powerful demands our blood and our death: They averted war in January 1994, in December 1994, in February 1995, and now in September 1995, the month of our Fatherland. This civilian army has convinced us numerous times, not with weapons, or lies, or deceit, or treason. It has convinced us by showing us that besides us, other men and women love our Fatherland, that strange sentiment harbored in our chests and which has not been buried by the government's cynicism and foreign interests, and are willing to do anything to see her free. They have convinced us to stop saying "we" and "you." They have convinced us to believe that "we" are more than weapons and ski masks. They have convinced us by showing us that our Fatherland is not a patrimony or organizations and groups of power, that our Fatherland lives and is ours.

The local and international artists who, unselfishly and willingly, heeded the call for peace that the Consultation entailed deserve special recognition. Faraway in time, distance, and culture, men and women built a bridge of unity with those for whom oblivion was a life sentence, silence an ominous future, and death a daily friend. These men and women, workers of culture and art, put their work at the service of a just cause: peace and democracy. Their faces were a call or invitation, not to oblivion, deceit, or a futile dream, but to do something so that reality, like the one in which we are, may be better.

In addition, the local artistic community carried out activities that won an important battle in the Lacandon Jungle, the battle against leishmaniasis, or "mountain leprosy," or "latex workers' ulcer." Today the dark skin of Indian men, women, children, and old people has started to heal and be renewed because other men and women, whose skins are of a different color but who were also human beings, remembered and helped them.

Many are the artists who have spread Mexico's culture through the movies, theater works, soap operas, magazines, and books. Beginning today, their names also have a place, not only on the marquees, in cultural cocktail parties, the television, and the movies, but in the hearts of Chiapas Indians. The images of these artists is an imprint on the dark skin that now heals and is cleansed.

We cannot offer them valuable awards. We have nothing to give them. But we are sure they will be able to write the following with pride on the long paper that tells of their artistic exploits: "In the mountains of Mexico's southeast there is a human being whom I healed of their wounds, whom I brought back from oblivion, whose loneliness I alleviated."

Perhaps they will not get a better role with this note. Maybe their income, artistic opportunities, or the number of their fans will increase. On thing is for sure, however. At least for us, their human stature grew. For us, they are giants, this is to say, our equals.

We wish to thank especially the social groups which, like the Indians, have suffered margination and unequal treatment. We wish to thank women, young people, homosexuals, lesbians, prison inmates. In different ways, under different masks, these human beings suffer intolerance, persecution, mistreatment, and scorn. The voice of the forgotten ones of all times, the Mexican Indians, found ears and a mirror in these social groups.

We wish to thank the Mexican women, always forced into submission, silence, and conformity, the women who broke the double prison holding them and went out to the streets and fields and participated in all social activities and said: "Here we are. We have come to bring the voice of others who, like us, deny themselves to useless, fruitless, silent death." Mexican women, single, married, widows, divorced, the women always named as a function of men, the single women who have not yet been possessed, the widows and divorced women who lost their possessors. The Mexican women, the no longer single, married, widowed, or divorced women, those no longer possessed or to be possessed. The Mexican women are now speaking up, making themselves heard. The Mexican women, so uncomfortable, so upset, those women who are so little women, the Mexican women. The other uncomfortable, the other upsets, the Mexican Indians express their thanks.

Thanks to Mexican youths, the always postponed youths, the immature ones to demand but mature to be exploited. The Mexican youths, those to whom all reasoning is denied, those accused of not having ideas of their own, those to whom genuine dreams are denied, those who reportedly are always manipulated, always deceived, always confused. The Mexican youths, always treated as a troublesome yet temporary illness, the current sin and the repentance to come.

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Those sentenced to be ashamed of tomorrow's submission from their proud rebellion of today. Flesh for prison, drugs, prostitution, death, disappointment. The Mexican youths filling all that the cynicism for power left vacant, this is to say, everything, everything. The Mexican youths carrying the voice and images of the other rebels, of the others who are always subcitizens, the other subhuman beings, the other "immature, manipulated, confused, and deceived," the others who today thank you, the Mexican Indians.

Thanks to the Mexican homosexuals and lesbians, the always persecuted, the always forced into shame and concealment, the always sick, the undesirables, the target in the sights of the rifle of intolerance and hypocrisy, identity as a synonym of insult and disqualification, the "you are prostitute" as a judgment, sentence, and execution. The Mexican homosexuals, the male prostitutes who are less so than the brave ones who swarm the national lie, the worthy struggle for equality in the difference. The Mexican homosexuals who respond to the voice of the other persecuted, the others concealed by shame, the other synonymous of insult, the "you are an Indian" as historic disqualification and cultural incapability, the other more Indians, this is the say, more intelligent than the wise men who swarm the national lie, the others of the worthy national struggle for equality in the difference, the others who thank for being heard, the voice, and the ear of the others, the Mexican Indians.

Thanks to the Mexican prison inmates, those imprisoned for the historic crime of being poor, those separated from the stupid normality still sicker than those pronounced normal, imprisoned for thinking as they think or simply for thinking in a country where intelligence is a crime, the prisoners for thinking that the word follows the thought and that doing plants thought, as a seed is planted; those who are prisoners for thinking, believing, trying to be the best among the others and not by themselves, those who are prisoners for refusing to be criminals, this is to say, to be accomplices of the crime of doing nothing.

Mexican prisoners tearing down prison walls with words, outwitting surveillance and stupid penal codes. Mexican prisoners answering, speaking up, saying "here we are, we are listening," to others who are criminals because they are poor; to other transgressors of the law of neglect and indifference; to other abnormal individuals who struggle against the normalcy of racism and lies; to others who are criminals for thinking, speaking, and acting; to other individuals who are criminals today and will be heroes tomorrow; to other individuals who refuse to be partners in the crime of treason to the nation committed by those who govern today; to the other prisoners of history: the Mexican Indians.

Firstly, we must state that we now have the complete results; now that the Referendum has ended; *we declare that the Committee of Directors Fostering the Referendum, and the Committee for the Organization of the Youth Referendum, and the Commission for International Ties are hereby dissolved.* The men and women that participated in them are perfect men and women who kept the commitment which we asked them to make. Your task is done. Thank you.

The Referendum Has Ended

For us there were not three referendums, but one great referendum divided in three parts. That is why today, once we have received the results of the Youth Referendum and the International Referendum, we have decided that the referendum has ended and we are expressing our thanks to you. For us there is no first, second, or third rate referendum. The word of a 12-year-old youngster, a 65-year-old man, Greeks, Spaniards, French, Italians, Englishmen, U.S. citizens, South Americans, Asians, and all inhabitants of all the oceans, are important.

You managed to overcome many obstacles to achieve this day and have given a good account of yourselves to those who asked for your help and participation in this peace effort. The government's initial scorn was followed by harassment and sabotage. Your efforts and the nature of the National Referendum managed to open difficult ground in electronic media communications.

Fundamentally, the Referendum was treated by the media in two ways: on one hand, ignoring it, and on the other, to denigrate it (as in the case of TV Azteca). However, we must acknowledge that some of the other electronic media reported the nature of this exemplary effort by the people objectively and that some spaces were opened in the principal television monopoly. The reaction of the power structure and the media, especially the electronic media, again became evident in regards to the National Referendum. Some individuals are aware that they are being dragged down by the system in its downfall because of a lack of credibility and legitimacy, and are trying to distance themselves from the system. Others, like TV Azteca, are gambling that everything will return to normal and continue to supply yesterdays Pharisees.

Special mention must be made of the few newspapers and radio stations which did not hesitate to support our efforts toward peace amid the not so secret internal war taking place within the governing group.

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Independently of this great partial vacuum in the mass communications media, the sponsors of the referendum developed ingenious and creative initiatives which deserve to be recorded in the history (in small letters) of our country. In the history which counts, which causes changes and enriches. Young men and women, mainly, managed to overcome the government's hold on society and began a dialogue whose real impact will be seen in the future.

You, against all odds, against everyone, raised a cause, a cause for peace and democracy. You, with everything to lose and nothing to gain, lifted us again. You sat us down next to you and your families. You listened to us, you spoke to us. You won most of what we have. Now and forever, you have won the right to be called "brothers."

This is the most important thing we want to tell you today; that we want to show you; that we want you to listen to others like you who are no longer here, who are no longer here but are still here; which we want you to carry to every corner of the country and the world. Only two small words, small like us; forgotten like us; a cause for derision like us.

Thank You, Brothers!

However, since it is clear that you have not travelled such a long distance to hear us says thanks, that the enormous and heroic effort which the referendum implies can be ended with the "thanks" which our word and our heart offers you.

The Quest For Human Beings

The National Consultation has spoken, and it has responded. According to the definition of a dialogue, it is our turn to talk. So we would like to talk a bit about the results of the national, youth, and international consultations.

More than 1.3 million human beings in Mexico and the world bothered to answer the questions made by a clandestine and faceless armed group, forsaken to the Mexican southeastern mountains. It was 1.3 million men and women who responded not to the questions the EZLN made, but to the efforts thousands of organizers and promoters made to invite them to talk, and they convinced them. The amount by itself is a success; it surprised everyone, and we were the first ones to be surprised. The success, the more than 1.3 million dialogues is a success. It is your success.

The big lesson, the most important lesson learned from this consultation is the fact that can organize ourselves to talk and listen, and that, we can build the mechanisms to hold dialogues, without anyone's protection or permission. The results of the consultation shows us that we indeed can, that there are tens of human beings willing to work and search the path for a better world, a world where no one will make promises to us or will give us anything, a world we will be able to forge as we want to forge it, not as the power wants it to be.

We have made the power of money shake. It has realized that there is something it cannot purchase or sell, that dignity is beginning to organize its encounter. The power of money fears that this encounter of dignities will be the its end, its swift transition to become a nightmare about to end, the end of a historical phase governed by arrogance and stupidity.

The consultation was an exercise of human beings' sovereignty on their existence. The consultation was an act of affirmation in front of the power. The consultation was a warning to the powerful one: *We do not need you!* The consultation was a part of that never ending quest: the quest for human beings.

The Six Questions

We could also get certain results from the answers to the six questions of the consultation: Questions 1, 2, 3, and 6 were mostly responded with a yes. This means the following:

A. The foundation of a plan of struggle lies in the 16 points. These demands are the most important demands. It is not enough to make them public; we have to do more than that. We have to move forward not only with a plan of struggle that would brandish them; it is also an alternative plan to resolve them.

B. The need for a broad front on this program. The foremost feeling of the segment of society that took part of the consultation is the fact that the resolves that are looking for something new and better must unite and work together, always respecting their differences.

C. The minimum necessary conditions that render useless the armed struggle and that allow the civilized and peaceful participation of citizens in politics.

D. The recognition of a fact: the growing and remarkable participation of women in a fight for the solution to the major domestic problems. Nothing has been granted or given to women; they have won or are winning everything on their own.

We must ponder on the results of questions 4 and 5, and we must answer them ourselves. This requires an effort of internal dialogue and public response. This is what we will do.

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In addition to these first assessments on the results of the consultations, certain facts are immediately implied by all that:

A first response to the resolve for peace and democracy expressed at the national consultation has already being given by the EZLN through its delegation participating in the talks being held in San Andres Sacamch'en de los Pobres. To a new government initiative the objective of which was to definitely break off the talks, the EZLN delegation responded with a proposal that loosened the negotiation issue regarding the rules of procedures and guided the peace process to a new course. The work of the Conai [National Commission for Indian Affairs] and the sensibility of the Cocopa [Harmony and Peace Commission] legislators helped achieve this. They were able to gather from the consultation what the power's stupid blindness prevented the government from seeing: the national support to the EZLN demands and to its resolve for a new, fair, and dignified peace.

The EZLN already gave a first response to the more than 1 million men and women of Mexico and the world who participated in any of the three phases of the Consultation for Peace and Democracy — namely, the national consultation, the youth consultation, and the international consultation. The EZLN position was able to get the talks out of the agony in which the government delegation had put it.

With this first answer to the local and international civilian population, the EZLN was able to overcome the stupidity of the gray and mediocre men of the government; of those bureaucrats of the negotiated death; of those renegades of the dignity; and of those servants of treason, who are made after the image and likeness of their boss, and whose only diversion was to humiliate the Indians, sneering at their way of talking, dressing, their struggle, and their identity as indigenous people. Committed to make the peace process fail and only worried about maintaining their salaries and commissions, they were overcome by the great national and international mobilization exemplified by the consultation, which shook them and made them accept what they said they would never accept: a dialogue based on respect and sobriety.

Once the dialogue in San Andres became worn out, a new life was found not in the government's willingness, but in the voice of hundreds of men and women who demanded the powerful and its servile bureaucrats to change their attitude at the talks.

The consultation made possible a new dawn in San Andres Sacamch'en de Los Pobres.

However, this first answer is not enough. The question that more than 1.3 million people marked on a corner of their ballot is still pending. The answer to the seventh question is still pending:

And what happens after the consultation?

To begin to answer this question, we should consider:

A quick assessment of events related to the EZLN, the national situation, and the international situation that have taken place in 1995.

Concerning the EZLN, we can say the following:

Phase 1. This phase was characterized by the transition and the government's military offensive. In addition to the fact that the supreme government was already engaged in a dialogue with the EZLN, it completed its treason on 9 February 1995 with its clumsy arguments of the presumed unmasking of the presumed Zapatist leaders, and the presumed application of a presumed legality of a presumed government. Trying to cover the illegitimacy of its action with a light coat of legality, the evil government placed the entire country on the brink of a civil war. Contrary to its assumptions and hopes, the government had to face an immediate and massive social mobilization of rejection. During the early days of the offensive, the government was able to carry out its strategy of destruction and persecution of civilians accused of being EZLN followers. To do this, the government had the support of the electronic media and its servants in the press. The so-called "Iruegas Doctrine," the strategy to replace legitimacy with legality, failed. An illegitimate action cannot earn consensus via an imposed legality. The popular protests in Mexico and abroad, which surpassed by far those that took place in January 1994, were able to stop the death machinery that had been set off. A commission of legislators, the so-called Cocopa, had a chance to realize that that awkward action was leading the nation into an endless fall and submitted the law of 6 March 1995, which allowed a legal solution to the legal stupidity that had trampled legitimacy.

Phase 2. Based on the law of 6 March 1995, the government tried to retake the path of dialogue and negotiation. The Legislative Branch, the law of 6 March, and the Cocopa brought hopes that things would resume their course. However, the "Iruegas Doctrine" continued advising the executive and the inconsistency in the government's policy on Chiapas ended up displacing EMB [expansion unknown]. A renowned political man, opposed to the government, and committed to the peaceful struggle for democracy, offered his good offices and achieved the so-called "San Miguel Meeting" on 9 April 1995. Without this person's

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mediation efforts, the beginning of the dialogue and the negotiation would have been impossible. In the meantime, the civilian society moved on to launch new initiatives that would secure the fragile peace the new law allowed. Subsequently, the first Peace Camps were installed, and the meeting was held in the ejido of San Miguel, municipality of Francisco Gomez, Chiapas.

Phase 3. The government promptly betrayed the San Miguel Accords just 10 days after they were signed. The Federal Executive's racist nature was clearly manifest in the so-called "San Andres I" dialogue. The government delegation, which refused to hold a dialogue surrounded by Indians, scorned the mobilization of Indians seeking to protect their own from a new treason. A representative of the government's idiocy distributed a video riddled with lies and entangled the news media in that lie. The deceit was short-lived, but the Executive's clumsiness had many opportunities to become evident later with the lackluster delegation it sent to the San Andres dialogue. Comprising renegades and hypocrites, all the government delegation did was to try to humiliate the Zapatist delegates. The different concepts on detente only concealed one fundamental difference on what the dialogue should be: a humiliation, which is what the government delegation wanted to impose, or a serious negotiation, which is what the EZLN wanted. After the detente measures were set aside, the discussion on the rules and procedures afforded the government a new opportunity to make the talks fail.

Phase 4

The National Consultation for Peace and Democracy once again found receptiveness within Cocopa. Cocopa's initiative, together with the common sense of the Zapatist delegation, led to a good San Andres VI meeting and allowed us to reach this current stage.

Analysis of the National and International Situation

But the government's ineptitude is not only seen in the San Andres dialogue. The national situation reflects an acute crisis in all aspects. One can sum up the economic crisis in the equation that nowadays the rich are fewer but richer and the poor are more and are poorer. This is the last cry of the continuation of an economic policy whose sole goal is to pay tribute to international financial capital. The social crisis is seen in the increased crime in the same proportion that corruption increases in public security, the social fiber is torn by the impact of the economic crisis, and by a lack of political solutions. The political crisis (moral and ethical) drags parties away while mistrust and skepticism spreads. The cultural crisis (the media). [as published]

The group in power breaks all the rules. There is an accommodation process that seeks to survive in vain.

The outcome will be marked by the crimes still to come. Whatever the result may be, this does not include us, except as victims. None of the waging factions thinks of the nation; they only seek their well-being and survival. Common, everyday citizens do not exist, in the best and worst of cases, become unessential. For power and all its struggle, all of us are dispensable, regardless of whether we are common citizens, cardinals, candidates for president of the Republic, secretaries of political parties, or magistrates. The policy of abandonment of all sovereign resolve, delivery of the nation to international financial markets continues to be imposed. Oil and sovereignty, which were previously synonymous in the country's history, today, in government policy exclude each other...

In the popular struggles, isolated nuclei of resistance are formed in search of a link. Chiapas, Guerrero, Tabasco, Route 100, those excluded from the UNAM [National Autonomous University of Mexico], El Barzon, are just examples of a broad movement of resistance that are still dispersed but willing to coordinate among each other but without accomplishing it yet.

Confusion, mistrust, and the rancor of the majority — what is called the Mexican people — are constants. Hope is still small, but still there.

In the face of government chaos, power "alternatives" arise: the PAN [National Action Party] leadership, whose apologists need to be reminded their president's statements favoring a "multinational military force" to intervene in Mexico; the impossible political "center" sought by the PRD [Party of the Democratic Revolution] leadership, declaring in no uncertain terms replacing the "legal struggle" by "agreed struggle" [lucha pactada], which is nothing more than an elegant way of saying "settled" [tranzada]; the reformed PRI [Institutional Revolutionary Party] that offers yesteryear politicians as an option to the ineptitude of technocrats; attempts to self-government or new forms of what it calls "government of the people, for the people, and by the people," in other words, democracy: 1985, 1988, Civic Alliance, the development of the ONG [Nongovernmental Organization], the EZLN, Tepoztlan, El Barzon, the Route 100 union, civic resistance in Tabasco, the movement of those excluded from the UNAM.

Chaos is the now the form that distinguishes the new world order.

World War IV is being waged currently by the financial markets: the European Union, Japan, North America, three large belligerent powers, which are not national,

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but which represent only financial capitals. Modern armies are made up of specialists in data processing and in economy. The new battlefields are in the stock markets.

The process of globalization and its real antithesis, the pulverizing of national states, is the future that is offered to the whole world.

The war continues its logical trend of distribution of resources and possession. Divisions between countries are now replaced by divisions between parts of a country. The national state is confronting itself. We are the new enemy of this new war.

Neoliberalism, as a theory of modern chaos, the destruction of humankind, is the ideological heir of Nazism and the theoretic basis of the wars for "ethnic purity" and intolerance. Neoliberalism is the theory of modern war. Its objective is, as in all wars, the destruction of its enemy: physical and moral humankind.

Amid all this, however, one appreciates the regrouping of the world left with its original banner: the human being. Barely scintillating slightly, but with its own light, those who thought themselves defeated find their work is not over, that there is much to be done, that history has not ended...

What Follows?

It is easy to answer that question. Nationally, what follows is to rebuild the fatherland which is crumbling. Internationally, to rebuild the human being, which today is systematically destroyed. In short, what follows is to fight and win.

That is our response to the question "After the Consultation, What Follows?" We invite you to answer with us. It is no longer a matter of asking for work and the waiting bit. Now, we must make a reality the "us" that we offer.

At the National Level...

The following step is the organization of a great national dialogue table to include the main opposition political and social forces other than the political parties. They, the big lords of politics, the elite that decides or that thinks it decides the destinies of the nation, believe that the rest of the Mexicans do not deserve a place next to them.

But the transition to democracy will not come out of that nonexistent dialogue table. It will come from where it must come, from the will of the Mexicans at the bottom, from the people.

In other words, we are going to let the government and the political parties have their dialogue and their political agreement for the electoral reform and those things, but we are going to continue insisting on the dialogue with the people in the search for new forms of organizing different from old fashioned political organizations.

This is what we think: a dialogue table among all those who have no voice, a great national dialogue table that seeks the unity of those who really struggle for national liberation.

We want the Mexican people and not the government to hear us. We want to hear the Mexican people and not the government. We want to reach agreement with the Mexican people to jointly change in the transition to democracy. We are the only ones who are going to build democracy and justice, no one is going to give it us.

That is our reply to the question: What comes after the consultation?

There is a new step we must take together: We must build a great table for national dialogue, *without the government.* Our idea of a national dialogue is not sitting with the big guys of national politics, but with civilian society. This is what we want to tell Cocopa, as we want this to be the "sketch" for the EZLN's participation in the national dialogue. What we want is a "special forum" with *our* guests and *our* agenda. This great table for the national dialogue between the EZLN and civilian society is what we will ask Cocopa to support as its contribution to the peace process.

If Cocopa offers the EZLN the opportunity to participate in the national dialogue "for state reform" and is trying to find the way, our reply will be that this is the way we want it, a dialogue with civilian society; a table where the EZLN will sit with other independent forces such as the NGO, Route 100, Barzon, individual citizens, social organizations, unregistered political organizations, etc.

We would like to propose to Cocopa that they be the liaison between this great national dialogue and the table for state reform. We want them to be the ones to sit down with political parties and the government and present them the results of that national dialogue. We also want to ask them to commit themselves to present to the Congress of the Union the proposals resulting from the national dialogue. We want to propose that they participate more actively in the process for peace with democracy, not only in Chiapas, but in all of Mexico. If citizens have a place where they can express themselves and be heard, they will not have to resort to weapons in order to be listened. Cocopa has the historical opportunity of playing an important role in the transition to democracy. They should respond and

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reaffirm the independence between the legislative and executive branches.

If Cocopa accepts, fine, and if it doesn't it's too bad. At any rate we will find the way to do it, to take the voice of civilian society to the highest forums of national policy.

That is not all, however. We invite them to begin working immediately in this new phase of the National Dialogue. We invite them to work immediately in a new relation between the EZLN and Civilian Society. We invite them to:

1. Create Civilian Committees for local, municipal, regional, and state dialogue.

2. The objective is to end with the Civilian Table in the National Dialogue.

3. The topics will be:

A. The National Project, based on a program of struggle and recognition of the equitable participation of women: the 16 points.

B. The National Opposition Front Project.

C. New political relations among organizations, government, and citizens and a new relation between the Nation and Indians.

D. Creation of a new independent political force, based on the EZLN.

4. Characteristics: No political affiliation, no conditions, no organizational commitments, but one cause: the country's reconstruction. Open, civilian, not clandestine, not illegal, protected by the Constitution.

5. Registry Offices: Headquarters at the EZLN, with accredited branches throughout the country.

6. New Aguascalientes. We want to invite the civilian society to start working with civilian Zapatist Indians and the civilian people of cities (NOG's, etc.) The Zapatist support rank and file have created "Zapatist resistance centers," this is to say, villages or communities who continue to resist, accepting nothing from the government. These villages are our banners and our Zapatist resistance symbols.

We invite them to make many Aguascalientes in reaction to the destruction of the Aguascalientes of Guadalupe Tepeyac. We invite them to have these Aguascalientes be created in the resistance centers. We wish to tell the civil society: "We are going to create many Aguascalientes and we need your help. We are going to have resistance centers and there we want you (the civilian society) and me (EZLN) to do something together for the Indians' welfare, to put together a good hospital that does not belong to the government, with medicines, doctors, equipment, etc., to have schools and training departments, children's games, and shops and schools for women, a movie, a theater, sports center, and everything. But all this without the government. Thus we will build a place where the people can govern, where it can be seen that we do not need the government, where it can be seen that the Mexican people can hold a dialogue and reach agreements, where we can construct peace with justice and dignity among us, without the government, its armies, and police.

We want to show that the people can fend for themselves with the government's help. We want help to plant the Zapatist flag, the banner of Zapatist dignity, in many places. If the government wants to attack us, they will have to destroy, not one, but many Aguascalientes. They will have to destroy schools, libraries, hospitals, children's games, theaters, movies, dancing halls. They will have to show the world their true faces, the faces of murderers of everything meaning mankind.

These are our six working proposals to the six replies to the six questions we asked you: at the international level, to hold an intercontinental meeting of all forces that struggle for humanity, this is to say, neoliberalism.

Brothers: Since 1 January 1994, we have spoken and listened. Since them, we have participated in a dialogue for which we were not prepared and which we had not even dreamed about, a dialogue with men and women who, without arms but with a face, struggle for the same flag that covers us, the flag with an eagle devouring a snake, the flag of the white color flanked with green and red, the flag whose center, without abashment, declares our Indian roots, the flag that continually must be rescued from the kidnapping imposed by the group of criminals inhabiting the National Palace, the flag that makes us brothers, the Mexican flag.

We will not forget what made us come to life, what put us where we are.

We, the rebels have a historic inheritance given to us by the transgressors of yesterday's law, the criminals of the past, the persecuted of yesterday, the Hidalgos, Morelos, Allendes, Pipilas, Ortiz de Dominguez, Narciso Mendozas, Guerreros, Minas, Galeanas, Guadalupes, Francisco Villas, Emiliano Zapatas. We, the rebels, the heirs to Madera, Arturo Gamiz, and of the generation of dignity of the political-military movements of 1970's and 1980's, have the right for a clear future.

We, the insurgents, have in doing our duty our only salary. We, the insurgents, are also you. You and us, today's insurgents, must recognize the underground river that linked us all of this time, the homeland. We and you, the insurgents, have a cause, our movement is

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genuine because the cause that in our hands becomes a banner is genuine. Ours is the cause of democracy, freedom, and justice. Ours is the cause of the insurgents, the cause of "everything for everyone and nothing for us."

We and you, the rebels, are persecuted as criminals by a false and hypocritical legality, the legality imposed with the force of stupidity by those who with bloodshed and mud stain the national dignity, those of the bad government.

The future they offer us is the future of the stateless, renegades, eunuchs, senseless repetition, unreason.

They offer us the democracy of oblivion, freedom for money and crime, justice as impunity, as exclusive possession of power.

The government lies so much that some times seems to behave according to the lie it spreads. But some times the government must remember that the nation is not only made up of the serpent of power but of some others. And it so happens that those others, we, have learned to rule over ourselves.

Like 185 years ago in Dolores, like 85 years ago in the center of the country, like 30 years ago in Madera, like 27 years ago in the student movement, like 10 years ago in the earthquake that shook Mexico City, September is the season for our fatherland, our nation, to speak. The fatherland lives in Tepoztlan, Tabasco, on Route 100, in Chiapas, Ciudad Universitaria, in the El Barzon movement against usury, in the nationwide awakening of the Indian, in all corners of the land.

Today, like then, power does not listen. Today, power does not debate; it holds a monologue. Power does not negotiate; it transacts. Power does not keep promises; it deceives. Power does not keep its word; it betrays. Power does not live; it kills.

The powerful are no longer the government. They may continue believing that they are the government and that they will recover from the political crisis and everything will return to what it was before. They have been overthrown, however, and the power vacuum must be filled with an alternative way to exercise power.

The country has been destroyed. Us. Let us build the peace they refuse to build.

We should do without the government and build that which was first taken from us, then destroyed, and whose ashes today are still for sale. Rebuild the fatherland.

When the government interferes, it should be stopped, with a new proposal.

We must talk among ourselves. From this self-encounter must rise a new proposal for the nation, a historical project for the rescue and rebuilding of the fatherland, no longer the fatherland they want to offer us or impose on us but, rather, the fatherland we want, need, the only possible fatherland, the only dignified fatherland, a fatherland where democracy, freedom, and justice are universal and equal.

This is what follows: a national dialogue among all the patriotic forces to discuss and carry forth a new historical project for the nation, a dialogue in which together we shall find the path toward democracy, liberty, justice, the path toward the fatherland, the path toward Mexico.

From the mountains in southeastern Mexico.

For the Clandestine Indian Revolutionary Committee-General Command of the Zapatist National Liberation Army.

Rebel Subcommander Marcos

Mexico, September 1995.

P.D. Which Gives Lessons in Tactics and Strategy

A September morn of mud and rains surprised us that year in which another earthquake overthrew apathy and the shutting itself in of a country called Mexico. Old Antonio stoked the fire inside the thatched hut in which we took refuge. Old Antonio knew that to try to dry ourselves out was impossible. On drying, the mud would become coarse earth that rasped our skin and memories. Old Antonio and I did not think about the mud that plastered one's hair but about driving away the gnats and mosquitoes that celebrated our drenched arrival. The ceremony of fire followed the tobacco, and between the smoke of one and the other, we began speaking of the war of independence. Old Antonio listened and consented with his eyes when my words evoked Hidalgo, Morelos, Guerrero, Mina, Pipila, the Galeanas. I did not repeat history I had learned or recite a lesson. I tried to reconstruct the loneliness of these men and women in their determination to move forward despite the persecution and calumnies they suffered. It had not finished speaking of the lengthy resistance of the Vicente Guerrero guerrilla movement in the Mexican mountain when Old Antonio interrupted, clearing his throat in a manner that announced a new wonder was approaching his lips, like the heat from the smoking pipe.

"That reminds me of something," Old Antonio said while he blew on the fire to rekindle it and old memories. Thus, between the rebels of the past and the rebels of the present, between the meeting of fire and

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smoke, Old Antonio, as someone who rids himself of a heavy but valuable burden, discharged words that told the story of....the sword, the tree, the stone, and the water.

Old Antonio gnaws on his pipe. He gnaws the words giving them shape and meaning. Old Antonio speaks; the rains stops and listen, and the water and darkness afford some respite.

"Our great, great grandfathers had to face the strangers that came to conquer these lands. The stranger came to impose a new way of life, a new language, new beliefs, new gods, and a new justice system. His justice meant he would possess everything and would take away our possessions. Gold was his god. He believed he was superior. His words were lies, his ways cruel. Our greatest warriors faced him. Great battles took place as the natural inhabitants of these lands defended the land from the hands of the stranger, but the strange hand also brought a powerful force. Great and good warriors fell and died in battle. The battles continued, few warriors remained, and women and children took the arms of those who fell."

The wisest elders then met and recounted the tale of the sword, the tree, the rock, and the water. They recounted that in the oldest days, the men who had to work and defend themselves met in the mountains. The gods were doing what they usually did: sleeping, because these gods, who were not the main gods, the gods who gave birth to the world, the first gods, were so lazy. Man and woman were wasting away their bodies yet growing in heart at the crack of dawn. The night remained silent; it was silent because it knew it had little time left. Then, the sword spoke:

It was a sword this big, elder Antonio interrupted while grabbing a two edged machete. The light of the fire emanated a few dazzles for a brief time, followed by a shadow. Elder Antonio goes on:

"Then the sword spoke and said:

"I am the strongest, and I can destroy all of you. My edge cuts, and I empower he who takes me and kill he who confronts me.

"It is a lie!, said the tree. I am the strongest. I have resisted the wind and the fiercest storm.

"The sword and the tree fought. The tree was strong and hard and confronted the sword. The sword slashed and slashed until it started cutting the tree. It fell.

"I am the strongest, the sword repeated.

"It is a lie!, the rock said. I am the strongest because I am hard and old. I am heavy and loaded.

"And the sword and the rock fought. The rock was hard and firm and confronted the sword. It slashed and slashed but could not destroy the rock. It cut it in pieces. The sword lost its edge, and the rock was left broken in pieces.

"It is a tie!, the rock and the sword claimed and cried over their useless battle.

Meanwhile, the water in the creek was watching the fight and said nothing. The sword looked at it and said:

"You are the weakest of us all! You can do nothing to anyone. I am stronger than you! And the sword forcefully charged at the water in the creek. A big noise and a splash were heard. The fish were scared away. The water did not resist the slash of the sword.

Slowly, without making a sound, the water, after having enveloped the sword, began taking its original contour and continued flowing on its riverbed toward the grand streams the gods created to quench their thirst.

Time went by, and the sword became rusty and old and lost its sharpness, and unafraid fish approached it and made mock of it. Shamed, the sword withdrew from the creek and, already defeated, grieved: "I am stronger than the water but was unable to do it any harm. It has defeated me without having even fought!"

Dawn expired and the sun woke up the man and the woman, who had tired each other out to refresh themselves. The man and the woman found the sword in a dark corner. They also saw the rock turned into pebble size stones, the fallen tree, and the singing creek."

The elders finished telling each other the story of the sword, the tree, the rock, and the water. Then they said:

"There are occasions when we must fight like a sword confronting an animal. On other occasions we must be like a tree resisting a storm, and sometimes we must fight like rocks against time. Sometimes we must be, however, like the water against the sword, the tree, and the rock. This is the moment to turn ourselves into water and to keep on flowing toward the river that will take us to the big streams where the greatest gods, those who created the world, the first ones, quench their thirst."

Old Antonio said: "This is what our grandparents did. They resisted like the water resisted the sword's fiercest blows. Strong foreigners came and scared the weak, and the foreigners thought they had won, but in due time they became old and rusty and ended up in a corner, shamed and without understanding why if they had won, they were enduring defeat."

Old Antonio again lit his pipe and the firewood and added:

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"This is how our great and wise grandparents won the war against the foreigners. The foreigners left and we, like the waters of the creek, continue moving toward the river that will take us to the big stream where the greatest gods, those who created the world, the first ones, quench their thirst."

Dawn moved off and with it went Old Antonio. I followed the sun's path, westbound, walking the edge of a creek winding down toward the river. Between sundown and the early morning sun there is, in front of a mirror, the tender touch of the midnight sun: a relief that hurts, a water that creates thirst, a finding that continues representing a search.

Like the sword in Old Antonio's story, the government's offensive of February penetrated Zapatist territory without difficulty. Powerful, glossy, with a beautiful hilt, the sword of power hit Zapatist territory and like the sword of Old Antonio made much noise and blare and scared a few fish. As in Old Antonio's story, the punch was big, strong, and useless. About the water? It continues flowing, enveloping the sword and, without minding it, is heading for the river that is to take its waters to the big stream where the greatest gods, those who created the world, the first ones, quench their thirst.

It is worthy again. Good health. Let the water provide relief and satiate thirst.

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El Salvador

'Ghost of Deportation' Haunts Illegal Aliens in U.S.

PA1010184995 San Salvador LA PRENSA GRAFICA in Spanish 7 Oct 95 pp 4A, 5A

[FBIS Translated Text] The ghost of deportation continues to haunt those in the Salvadoran community who illegally entered the United States during the war years. More than 200,000 Salvadorans who entered the United States as political refugees are finding it harder and harder to justify their permanent stay in the United States since peace came to El Salvador in 1992. The chances of deportation are increasing.

How is this possible? Not for lack of amparo mechanisms, since the U.S. Government has offered grace periods to those who want to request permanent emigre status. Although half of the Salvadorans whom the defunct Deferred Forced Repatriation Program (DED) protected have already applied for protection, the other half have not and face a greater risk of being deported. Almost 100,000 fellow countrymen protected under temporary asylum programs have not applied for legal protection under the ABC (American Baptist Churches) amendment. ABC will grant Salvadorans (and some 50,000 Guatemalans) who illegally entered the United States between 1989 and 1991 legal status until their permanent immigration status is resolved. Although the final deadline for application was 31 September, some logistical complications have, fortunately, caused the deadline or "fatal date" to be postponed until 31 January 1996. If the Salvadorans who were formerly protected by the DED do not submit their documents before this deadline, they will lose their legal amparo, their work permits will not be renewed, and they will probably be deported. Deportation would not occur en masse, as most had feared; however, these measures would still communicate the "go home" message.

Salvadorans Are Lagging

Guatemala, 90 percent; El Salvador, 50 percent.

It is not a matter of competition, but in percentages the Guatemalan community eligible for ABC is under safer conditions than the Salvadoran community because the majority has already applied. INS reports that 144,974 applications for this program have already been received from Salvadorans and Guatemalans. Although the number of applications for each nationality has not been disclosed, Daniel Kane, INS spokesman in Washington, told LA PRENSA GRAFICA during a phone interview that "90 percent of Guatemalans who are eligible (for ABC) have already applied," which means that half of these "Salvadorans who are at risk" have delayed this procedure for various reasons.

Is There Anyone Home?

Legal assistance organizations for immigrants report that a phantom-like fear hinders this special group of Salvadorans from applying. The INS spokesman said that sometimes this fear combines with negligence and inability to understand that "they should take advantage of this last opportunity."

Ana Cristina, Salvadoran ambassador to Washington, says that one of the most common fears among fellow countrymen is having to report their address, thus making it easier for the authorities to locate them for deportation. The ambassdor explained that although it is true that not all who apply for political asylum will have favorable results, there are other mechanisms to appeal the rulings of immigration courts if they are denied asylum. "People are afraid that a deportation order will arrive at their homes," the ambassador said while pointing out that fear should be better directed toward speeding the procedure to avoid being left out of the program.

Kane said that the address issue has become, for these Salvadorans, one of the main obstacles to expediting the process. The spokesman explained that these Salvadorans are constantly moving and do not report their new address, which makes it difficult to distribute ABC applications. Kane said: "They have the responsibility to report their new address for their own personal good, but they do not do so." He also explained that at least some 40,000 applications that were mailed to these Salvadorans were returned to INS because the addressee was not found.

War or Poverty: Which Was the Most Violent?

CARECEN [no expansion available], an immigrant assistance foundation, notes that another fear lies in the "political asylum" status since many of them did not flee the country directly as a result of political persecution during the war. They fear that other reasons, including economic ones, are not considered valid for a favorable ruling.

The ambassador agreed: "Maybe it is true that these 200,000 Salvadorans were not politically persecuted, but the economic situation resulting from the war was a reason as valid as having to flee to save their lives and families." She added: "We have struggled to convince U.S. congressmen that economic blows were as fierce as battle attacks during the war."

Deportation: Fear or Paranoia?

The panic surrounding deportation reached its highest point last year. The deportation was described as "massive," even though that was not what was exactly meant.

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U.S. immigration authorities and Salvadoran President Armando Calderon Sol himself have explained: In case deportation is applicable for those not applying to ABC, it will not be massive.

Juan Jose Garcia, consultant for the Central American Foundation for Sustained Human Development [Fundacion Centroamericana para el Desarrollo Humano Sostenible (FUCAD)], said it does not matter if deportation is massive or gradual. He argued: "There will always be an impact on the local economy of the poorest sectors in the country. It is not a matter of paranoia. The deportation of any number of Salvadorans should always be a reason for everybody's concern. This should be a national issue."

Statistics from the Central Reserve Bank of El Salvador showed that in 1994 about $1 billion entered the country in the form of family remittances, an amount larger than revenues from coffee exports. Family remittances are considered a preponderant element for the country's economic and social development.

Garcia concluded: "There are more than enough reasons for concern."

Guatemala

President Addresses Nation on Issues, Xaman Events

PA1010224595 Guatemala City Radio and Television Networks in Spanish 0310 GMT 10 Oct 95

[Address to the nation by President Ramiro De Leon Carpio from the Presidential House in Guatemala City; live or recorded]

[FBIS Translated Text] Dear Guatemalans: Since I was sworn in as president of the Republic on 6 June 1993, due to circumstances known by all, you have accompanied me in times of joy and contradictions that we have had to face during this period.

This sharing of experiences has also been expressed in decisions I have adopted such as the strengthening and stabilization of our institutions, the purging of state institutions such as the Congress of the Republic and the Supreme Court through the democratic mechanism of a referendum, the constitutional reforms that consolidated our democracy, the tax reform, and the priority given to works of community infrastructure in rural areas that directly benefit the people. Information on this work has satisfactorily been released with the cooperation of the media that provide us with free space so that the people can know where their taxes are being invested.

Tonight, my message reaches you at a specially painful moment for me personally and for my government because of the tragedy that took place on Thursday, 5 October at the repatriation farm [finca de reasentamiento] called Xaman, Chisec Municipality, Alta Verapaz Department, where 11 Guatemalans lost their lives and more than 25 were injured.

In view of these events, I have accepted my institutional responsibility as president of the Republic and as commander in chief of the Army and with this same determination I reaffirm that this does not correspond to any state policy or to any institutional decision.

Just as international observers have said, this was an isolated incident, yet unjustifiable. I will not allow it to go unpunished under any circumstance. Since the first moment I learned of the incident, I formed a high-level investigation commission, with whom I immediately traveled to the adversely affected community to learn about the truth of the incidents.

Likewise, we turned over to the proper courts all the members of the military patrol that was involved so as to immediately begin the legal proceedings. This has already been done. I have also asked the National Fund for Peace, Fonapaz, to fulfill the immediate needs of the people who were victims of the unfortunate incident and we instructed Health Ministry authorities to provide first aid to the injured as well as to provide all the hospital care as required by the case, which was done quickly and efficiently.

I also wish to announce that I have decided the following:

1. To accept the resignation of Defense Minister Division General Mario Rene Enriquez Morales, who after regretting the incident, told me he had made the decision because he considers it fit for the welfare of the armed institution and for the welfare of Guatemala.

2. To appoint Division General Marco Antonio Gonzalez Taracena, who is currently chief of staff of National Defense, as the new defense minister.

3. To dismiss the commander of Military Zone No. 21 based in Coban, Alta Verapaz Department because he had jurisdiction over the patrol that was involved in the incident, with which I wish to contribute to an objective investigation process.

4. To instruct the Fonapaz to identify the legal mechanisms to compensate the injured and the relatives of the people killed at the Aurora-8 de Octubre Community.

As president of the Republic I recognize that the actions adopted respond to an obligation and a commitment to act swiftly in the strengthening of the state of law and the fight against impunity. The incidents that took

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place in Xaman are evidence of the deep roots of confrontation and mistrust that are the product of the internal armed conflict, which our injured society has endured for almost 35 years with its sequels of blood, destruction, and sorrow.

All this requires a deep meditation, a calm analysis, and, above all, a reaffirmation of the Guatemalans' undeniable vocation for peace and reconciliation. To this end, the understanding and concern of the international community, particularly of the UN Mission for Guatemala, Minugua, will be duly assessed as they will help us achieve the national goal for peace and reconciliation.

The Xaman tragedy left us two challenges: to ensure this painful event will never happen again, and to decide to continue to support, till the end, the peace negotiation process, while pursuing national reconciliation.

I call for people to accept that the peace process is irreversible and that sooner rather than later a final peace agreement will be signed. However, the true challenge will come after this signing; that is, it will begin when we start working toward a general peace, which will compel us to continue the sustained fight against poverty, the creation of jobs, and the general attack on the causes of the internal armed conflict.

In addition, we cannot forget that, in less than five weeks, we, Guatemalans, will freely elect the authorities that will rule the nation for the next four years. I reaffirm that I and my government will remain apolitical, which is evident by that fact that there are no official parties or candidates whatsoever. I guarantee a clean and honest electoral process that will respect the decision most people will make through the vote.

Therefore, I urge political leaders to embark on a campaign that will encourage and instill confidence to citizens to ensure that 12 November will be a civic feast and that the entire population will vote massively.

With this message, I believe that I, as president of the Republic and as former human rights ombudsman, am showing my firm determination and commitment to fully clarify the events that took place in Xaman and to punish accordingly those who are guilty.

This objective and impartial investigation, which does not have historically vengeful desires, will contribute to fight impunity, consolidate democracy and the state of law, and, undoubtedly, strengthen the institutions. Thank you very much for your attention and have a good night.

More on Xaman Events, Government Measures

PA1110020295 Guatemala City Teleonce Television in Spanish 0400 GMT 10 Oct 95

[From the "Telepress Newscast"]

[FBIS Translated Text] President Ramiro De Leon Carpio has recognized that an attitude of disrespect for life was evident in the events which occurred at Chisec. Nevertheless, he also said an investigation must be carried out to ascertain the degree of provocation from the repatriates.

[Begin De Leon recording] Guatemala is again put up to ridicule in the world; it is again immersed in a scandal that shows, in a certain way, disrespect for the right to live. In this case it is not the result of a government policy or a mandate because all the agencies guarantee and state, in their preliminary reports and in talks with their representatives, that this was not premeditated, that a scheme was not planned or premeditated and later carried out.

This is also the result of a provocation, a high, medium, or small-level provocation from a community's population, which should also be investigated to ascertain the degree of its provocation against the military patrol. The truth is that there is disrespect for the right to live and reconciliation is still a pending issue in a society that is disrupted to the core by an armed conflict that will soon reach its 35th year of provoking bloodshed, destruction, and pain.

In my trip to the site of this incident, what impressed me the most and what concerned me the most is Guatemala's future. We must act and provide solutions so these painful events never occur. That is what I am doing at this moment, and that is what I did from the very first moment I learned about this tragic event. An aggressive attitude must be adopted by us and the state, meaning we must accept our institutional responsibility and personally start an on-site investigation to clarify what happened. This has been done and those who are reportedly responsible for this have been turned over to the justice courts.

Now the state is expected to use its authority; it is imperative that justice be effectively enforced, clarifying what happened, identifying the culprits, and enforcing the appropriate penal and administrative punishment. I believe it is time to give truly historic proof that the country is actually embarked on the consolidation of democracy and the state of the law, encouraging the law rather than impunity.

In principle, some people think that the Xaman massacre, the slayings in Xaman, the dead in Xaman will

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affect the peace process but this is relative. It is undeniable that the peace process in Guatemala is directed from the United Nations through mediation. Referring to this, the Guatemalan Government and the Guatemalan National Revolutionary Unity will sign, sooner or later, a document that brings peace to the country. We hope it is not peace in paper only.

The true challenge for the peace process is the one we will live once the parties sign, or once we sign, the document that puts an end to the armed internal struggle. It will be then that in a post-war context, we will begin to work on an overall peace that includes a sustained struggle against poverty, as we have started in this government, that includes the generation of jobs, the improvement of salaries, development policies that sponsor a better lifestyle for all, and a general attack on the causes that in some way increased the confrontation. [end recording]

President Rejects Coup Rumors, Confirms Trip Abroad

PA1010220895 Guatemala City Televisiete Television in Spanish 1900 GMT 10 Oct 95

[From the "Channel Seven News"]

[FBIS Translated Text] President Ramiro De Leon Carpio has rejected coup d'etat rumors which began yesterday. The president said everything is going along fine.

[Begin De Leon recording] The presidential candidates should spend their time expounding their programs and political guidelines in case they are elected president, and strengthening the nation's institutions. This is totally out of context. It is groundless — if this were the case I would not go on a trip. Just imagine, I will calmly leave on a trip in three or four days. Political stability, institutional stability....[pauses] Tomorrow I will hold my usual meeting with the commanders. There is no problem; it is mere speculation and a rumor. The president of the Republic, a civilian, adopts historic decisions without precedent in Guatemala's history but this does not change things. The Defense Ministry is just like any other Ministry and that is precisely one of the topics currently being discussed — the strengthening of civilian power. [end recording]

Army Spokesman Assuages Coup Rumors

PA1110004695 Mexico City NOTIMEX in Spanish 1836 GMT 10 Oct 95

[FBIS Translated Text] Guatemala City, 10 Oct (NOTIMEX) — Guatemalan Army spokesman Colonel Guillermo Caal Davila today assuaged the alarm and rumors triggered by a deployment of troops in western Guatemala by stating that they are "routine" exercises.

Caal, who is the Information and Press Department of the Army (DIDE) chief, confirmed the military movement, but explained that it involved approximately 100 soldiers who were being transferred to a rifle range for target practices.

He explained that the activity had been planned and that similar exercises were carried out in the northern department of Alta Verapaz and Baja Verapaz, as well as in the southeastern department of Jalapa.

"They all are routine military exercises," Caal told local reporters. "There is no reason to be alarmed," he stressed.

The deployment of 100 armed soldiers along the road leading to the eastern Atlantic region alarmed residents of the area who contacted several radio stations over the telephone to report the situation.

The movement of soldiers increased the rumors on a likely coup d'etat due to the resignation Defense Minister General Mario Rene Enriquez submitted on 9 October. The rumors on a likely coup started circulating following Enriquez's resignation and after President Ramiro De Leon made it public as a result of the massacre in which 11 peasants died on 5 October.

An Army patrol perpetrated the massacre in the repatriates' "Aurora 8 October" settlement, located in Xaman farm in Chisec, Alta Verapaz Department, approximately 280 km north of Guatemala City.

Rigoberta Menchu, 1992 winner of the Nobel Peace Prize and Guatemalan Indian leader, yesterday stressed that Enriquez's resignation could trigger dissatisfaction among military ranks and that it could, at any time, lead to a break in the institutional order.

Meanwhile, retired Gen. Carlos Morales Villatoro, presidential candidate for the Social Christian Party People's Alliance 5 made a call to form a civic front in light of the coup rumors.

"We have to be prepared to counterbalance the intentions of doing away with the democratic system, because it will bring fateful consequences such as the disappearance of the government branches," Morales underscored.

Ribogerta Menchu Concerned Over Coup Rumors

PA1010164495 Panama City ACAN in Spanish 1208 GMT 10 Oct 95

[FBIS Translated Text] Guatemala City, 10 Oct (ACAN-EFE) — Rigoberta Menchu, the Guatemalan

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Indian who won the 1992 Nobel Peace Prize, said Monday she is "concerned" about insistent coup d'etat rumors that circulated in this capital when the announcement of Defense Minister General Mario Enriquez' resignation was announced.

Menchu told ACAN-EFE: "I think these times are not for coups and massacres but for consolidating democracy in the country."

President Ramiro De Leon Carpio yesterday accepted the resignation of his defense minister in an attempt to quench the wave of accusations against the Army because of the killing of 11 peasants on 5 October by military units.

The killing took place in Aurora 8 de Octubre, a community 300 km north of this capital, in Chisec Municipality, Alta Verapaz Department.

The Nobel Prize winner, who has become the accuser of the 27 soldiers responsible for the killing, has cautioned "there must occur no" coup de'etat and that such a notion must be "condemned" by the people "beforehand."

She considers the resignation of the minister and the dismissal of several military people as "significant" because no measure like this had ever been adopted here.

Menchu censured Enriquez for his "untimely" statement that does not contribute to putting the military involved in the killings on trial.

She said: "We are deeply concerned about the possibility of this massacre being used as pretext for generating more instability in the elections process (that should conclude with elections on 12 November) and in the peace process (between the government and the guerrillas).

According to her analysis, it is most important to "understand" the political angle of the massacre, which has taken place during an elections period, when "there are" hopes of signing peace agreements, and at a moment when Guatemalan refugees are returning from Mexico.

The fact that government peace negotiator Hector Rosada, a sociologist and military affairs expert, has called for a state of emergency in the areas inhabited by the Guatemalans who have returned, represents a virtual "threat" for militarizing those areas, she noted.

The leader of the Quich ethnos retracted from Saturday's statement to the media, when she called for "capital punishment" for the soldiers responsible for the massacre.

"My intention was to point out the severity of the punishment. I never spoke of the death penalty," she said in apologizing and admitting that she did not use the most appropriate terms, something that led to confusion.

Meanwhile, university students today condemned the "massacre" and took to the streets near the state university producing a huge traffic jam.

Rebels To Continue Peace Talks Despite Chisec Massacre

PA1010155195 Guatemala City PRENSA LIBRE in Spanish 7 Oct 95 p 4

[FBIS Translated Text] The editorial office has received a communique on Commander Pablo Monsanto, of the Guatemalan National Revolutionary Unity (URNG), confirming on 6 October that the General Command will continue to participate in peace talks despite the massacre in Chisec, Alta Verapaz. The rebel movement condemned *this new act of violence*, which has set the refugee community to mourning. It adds: These refugees were forced to leave their homes for the first time 15 years ago, when the Army implemented its *scorched earth* policy on defenseless peasants. The rebel leader added that a group of radical military officers and adamant businessmen are determined to hinder the process, once again engaging in *uncivilized practices*. Monsanto warned the international community and the Guatemalan people of the bloodshed, suggesting that it aims to interrupt peace talks. The commander protested the position of Defense Minister Division General Mario Enriquez Morales, *who strongly defended the belligerent attitude and disrespect for human rights displayed by officer Lacan Chaclan, when it was in fact confirmed that it was an aggressive attack on a defenseless population.*

The URNG asks for an investigation into this incident so that the military officers who set the refugee community to mourning may receive a just punishment, it concludes.

Some 20,000 Marijuana, Poppy Plants Seized

96WD0002A San Jose LA NACION in Spanish 20 Sep 95

[Received via Internet]

[FBIS Translated Text] Guatemala, 20 Sep (ACAN-EFE)—Over 20,000 marijuana plants, as well as poppies, from which opium is extracted, were seized by Treasury Police (GH) agents in the Guatemalan departments of San Marcos and Huehuetenango, on the Mexican border.

Yesterday, Tuesday, sources from the GH informed ACAN-EFE that the poppies and 9,000 marijuana plants in the growing phase were confiscated in Tacana and the

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village of Tuismo, in San Marcos, in the northwestern part of the country.

The authorities, who specified that the two types of crops were valued at $613,481, captured the Guatemalan, Gabriel De Leon, accused of being in charge of the marijuana plantation.

Meanwhile, in the canton of Xecanilaj, Huehuetenango, approximately 1,000 marijuana plants worth $63,993 were seized, and the Guatemalans Francisco Carrillo Gomez, Pedro Godinez Calvo, and Maria Amartin Godinez were captured as well.

URNG, Government To Meet in Costa Rica

96CA0007A San Jose LA NACION in Spanish 21 Sep 95

[Received via Internet]

[FBIS Translated Text] Guatemala, 21 Sep (ACAN-EFE)—The government and the guerrilla movement of Guatemala will carry out negotiations beginning 24 October in Costa Rica, where they will continue their study of the most "sensitive" matters preliminary to the signing of the peace agreement.

Rodrigo Asturias—known as "Commander Gaspar Ilom" of the Guatemalan National Revolutionary Unity (URNG) movement—and Guatemalan Vice Minister of Education Manuel Salazar said yesterday in Costa Rica that prior to this round of negotiations they will meet in Puebla, Mexico, beginning next Monday.

Ilom said they had accepted a Costa Rican invitation to meet on that date pursuant to the UN resolution—sponsored by Costa Rica—proclaiming Peace Week (to begin on 24 October) in honor of the 50th anniversary of the founding of this international organization.

Addressing a joint press conference, the rebel commander and the government official voiced optimism based on the progress made to date, although they agreed that the two "essential" topics that remain to be negotiated are complex in nature.

Ilom acknowledged that neither the top leadership of private industry—nor certain "recalcitrant" sectors of the Army—agree with the manner in which progress has been achieved in the peace negotiations. They are calling into question the proposals for negotiating a new role of the Armed Forces and a new political and economic system for our country.

"It is a very sensitive subject, but we are working toward an agreement," the guerrilla leader said at the conclusion of the "Fourth Ecumenical Conference To Build Peace in Guatemala," which began last Saturday and ended yesterday in Costa Rica.

Andrade Promises To Consolidate Peace

96CA0013A San Jose LA NACION in Spanish 22 Sep 95

[Received via Internet]

[FBIS Translated Text] Guatemala, 22 Sep (ACAN-EFE)—Fernando Andrade, presidential candidate of the DCG-UCN-PSD [Christian Democratic Party, National Centrist Union, and Democratic Socialist Party] Alliance, promised yesterday to consolidate peace and respect the agreements that are being signed between the government and the guerrilla movement.

Andrade explained that his governmental program for the 1996-2000 term proposes—for the purpose of implementing its basic principles—to consolidate peace and democracy; strengthen public safety; promote social and economic development; protect the environment; modernize the government; and work in behalf of the identity and the rights of the Indian peoples.

Addressing the press conference, Andrade emphasized that the Alliance supports the political negotiations currently taking place between the government and the Guatemalan National Revolutionary Unity movement [URNG]. He expressed confidence that the final documents for a firm and lasting peace will be signed.

With respect to public safety, Andrade promises to disband the illegal security corps and clandestine apparatus and to promote the professionalization of the civilian police.

He said that his plan for economic development includes the application of "consistent" and "credible" macroeconomic policies with the aim to encouraging stability and preventing inflation.

"The state," he maintained, "acting in fulfillment of its supportive role, should allow the market to orient economic activities within the framework of genuine and effective competition." He said the state should also be a good manager in order to attain higher levels of social equity.

With regard to the Indians, Andrade gave assurances that his plan accepts the fact that the nation is multiethnic, multicultural, and multilingual and that the Mayan, Garifuna, and Xinca peoples are each entitled to development on a basis of equality with the mixed or mestizo population.

Guatemala will hold general elections on 12 November to elect the new officials of the executive and legislative branches of the government, in addition to municipal governments that will take office on 14 January 1996.

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Exporters Worried by Delay in Tariff Parity

96CA0014A San Jose LA NACION in Spanish 22 Sep 95

[Received via Internet]

[FBIS Translated Text] Guatemala, 22 Sep (ACAN-EFE)—Leaders of the exporters of Central America yesterday expressed their concern over the postponement—in the Congress of the United States—of debate on the Tariff Parity Program, which would grant benefits to the countries of that region and the Caribbean.

The Parity Program seeks to reconcile the tariff treatment accorded the Central American and Caribbean countries with the treatment received by Mexico in its capacity as a partner in the North American Free Trade Agreement (NAFTA).

The Guatemalan Gabriel Biguria, president of the Federation of Chambers of Exporters of Central America (Fecaexca), pointed out that the so-called HR-553 bill had not been acted on by the Ways and Means Committee of the U.S. Congress.

Biguria attributed the delay in passing the law—which provides for unilateral preferences on the part of the USA—to "technical" motivations such as disagreement with respect to the rules concerning the origin of the threads and cloth.

He also cited "political" motivations resulting from pressure that labor union groups have brought to bear on the U.S. employers in the southern part of that country.

Biguria said that the Parity Law—sponsored by the congressman Philip Crane—was temporarily "withdrawn" from the process of obtaining approval of the Reconciliation Law, which was debated last week.

Guatemalan Labor Minister Anabella Morfin announced last May that since NAFTA went into effect, 115 assembly firms in the textile and clothing sector have moved to Mexico in order to take advantage of the tariff advantages granted to that country by the United States.

The relocation of these shops resulted in the loss of 20,000 jobs in Guatemala.

Panama

President: Exploratory Talks With U.S. To Start 15 Nov

PA0610170995 Panama City EL SIGLO in Spanish 6 Oct 95 p 28

[Report by Euclides M. Corro R.]

[FBIS Translated Text] In stressing that there are no datelines or prepared agendas, the chief of the executive branch, Ernesto Perez Balladares, announced yesterday that the exploratory talks between Panama and the United States will start on 15 November.

This pertains to the plan agreed during a meeting the Panamanian president held with the U.S. President last month in Washington "to determine whether there is mutual interest in negotiating issues regarding the U.S. military presence in Panama after the year 1999. [no closing quotation mark as published]

President Perez Balladares accepted for the first time since his U.S. counterpart, Bill Clinton, broached the issue that "there are no doubts: The North Americans want to keep some sort of military presence in Panama. That is clear."

The occupant of the Palace of the Herons wanted to clearly explain that the two sides must obtain benefits if the negotiations are held. These negotiations have to be consulted by large segments of society in order to result in a general consultation (plebiscite).

The Panamanian president also said Panama is determined and is working hard to redefine its relations with the United States, while seriously thinking about adequate management in the next century.

Another important aspect is the fact that Panama, in addition to the payment for the use of its land, will seek a guarantee from U.S. markets for products made here.

"All these prospects must translate into direct and tangible economic benefits for most Panamanian people," Perez Balladares concluded.

Government Expecting U.S. Document on Stay of Bases

PA0810150795 Panama City LA ESTRELLA DE PANAMA in Spanish 7 Oct 95 p 20

[Report by Esperanza Navarro Francois]

[FBIS Translated Text] The Panamanian Government is expecting a document from U.S. authorities on the bases located along the banks of the Canal, the military strength they would maintain in the sector, and the period of time of their permanence, Foreign Minister Gabriel Lewis Galindo affirmed yesterday.

At a breakfast the foreign minister offered to foreign correspondents, he said the exploratory talks on the bases will begin between 6 and 15 November.

Lewis Galindo said the first meeting that will be held in Panama City will not be a "negotiation" but, rather, the presentation of the U.S. proposal.

Despite the fact, the head of Panamanian diplomacy acknowledged that there are different positions within

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the U.S. Government on the stay of the bases, he said the matter is not a priority issue.

In addition, he warned that Panama "has not received any type of pressure," though any decision on the bases will be submitted to a national referendum.

Among the bases the North Americans would be interested in keeping in Panamanian territory are Howard Air Force Base, Rodman Naval Base, and Fort Sherman.

Michael Skol, assistant secretary of state for inter-American affairs, as well as defense and White House officials will represent the United States at the talks.

Meanwhile, Foreign Minister Lewis Galindo will lead the Panamanian delegation. President Perez Balladares recently invited the opposition Arnulfist Party to join the talks.

Opposition Representatives on Talks With U.S. on Bases

PA0810150895 Panama City Circuito RPC Television in Spanish 2300 GMT 5 Oct 95

[Report by Abdiel Antonio Gutierrez from the "RPC Television News" newscast — passages within quotation marks recorded]

[FBIS Translated Text] [Station announcer Celiano Fonseca] An analysis of the advisability of maintaining U.S. military bases in the country beyond 2000 is propelling the government to commission the best officials and also try to obtain the political support of its adversaries. Because the prevalent view is that this matter is one of national interest, the opposition parties are not ruling out joining the exploratory commission, but they are aware this decision is a compromising one.

[Gutierrez] Foreign Minister Gabriel Lewis Galindo has confirmed that the first official contacts between U.S. and Panamanian representatives will be made during the second week of November to analyze the advisability of extending the U.S. military presence beyond 2000.

[Galindo] "This team for the first meeting, which will be an exploratory one, will include Foreign Ministry officials and, perhaps, ARI [Interoceanic Region Authority] and Presidency officials."

[Gutierrez] Representatives of opposition parties may be asked to join the talks. On Thursday, the Directorate of the Arnulfist Party analyzed its role in the topic of the bases. A highly reliable source said most of its legislators are willing to join the exploratory talks, whereas other leaders are radically against it. Molirena [Nationalist Liberal Republican Movement] President Guillermo Ford said his party has not been invited but stated that the correct thing is being done:

[Ford] "What is important is to handle things as a country. Domestic or internal politics are another matter. I repeat: to this day, no government official has visited us."

[Gutierrez] The Papa Egoro Movement has not been consulted either, but its position seems unvarying:

[Legislator Victor Mendez Fabrega] "We feel that the military bases must be fully transferred over to the Panamanian people, and they must develop them for the best collective benefit possible by drawing investments and generating jobs but, rather, for the people of Panama and through the administration of Panamanians. We do not want the continuation of military bases that were absolutely illegal up to 1977, when the Torrijos-Carter Treaties legalized them."

[Gutierrez] Mendez added that the president is fully entitled to analyze the topic and even to negotiate it. He concurred with Ford that the people must have the final say in a referendum.

More on Opposition Interest in Talks

PA1010135395 Panama City EL PANAMA AMERICA in Spanish 8 Oct 95 p 5

[By Arnulfo Barroso Watson]

[FBIS Translated Text] The opposition is apparently willing to participate in talks to renegotiate [conversaciones sobre la renegociacion] U.S. military bases in Panama after fulfillment of the Torrijos-Carter Treaties but is awaiting a formal proposal from President Ernesto Perez Balladares.

The Arnulfist Party, Molirena [Nationalist Liberal Republican Movement], and Papa Egoro Movement have said that they would convene their respective national directorates on such a decision should Perez Balladares ask them to participate in exploratory dialogue [dialogo exploratorio] with the United States.

The PDC's [Christian Democratic Party] Political Committee announced midweek that it would accept any government invitation "because the PDC is always willing to participate in the discussion of issues of national interest even when it does not share the political ideas of those governing us."

Arnulfist Party President Mireya Moscoso pointed out that she has not yet received a formal proposal from Perez Balladares, adding that her party maintains its position that this issue should be resolved through a referendum.

Molirena Secretary General Guillermo Casco Arias assured that within the PRD [Ruling Democratic Revolutionary Party] there is a struggle between those chanting

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"Yankee Go Home" and those advocating the exploration of whether it is advisable to renegotiate defense sites.

Meanwhile, Papa Egoro Vice President Nestor Martinez said that his party opposes the presence of military bases because such sites would yield more foreign currency if they are commercially exploited.

The People's Party warned in a communique that this is no time to renegotiate military bases because the canal treaties have not yet been fulfilled.

Victor Franco Suarez, foreign relations secretary of the Movement of January 1964 Martyrs [Movimiento de Martires de Enero 1964], said that members of his group do not reject possible negotiation as long as the people ratify any agreement reached in a referendum and that Panamanian sovereignty is respected within those military sites.

'Heated' Debates on U.S. Bases Expected at Party Congress

PA1010141495 Panama City EL PANAMA AMERICA in Spanish 8 Oct 95 p 5B

[By Arnulfo Barroso Watson]

[FBIS Translated Text] The ruling PRD [Democratic Revolutionary Party] is divided over a possible U.S. military presence in Panama after the year 2000. After two decades of demanding the complete dismantling of the military bases, the PRD itself is now presenting the idea of the military presence to an opposition that the PRD for years accused of siding with U.S. interests.

While a large PRD faction favors ending the U.S. military presence in Panama as stipulated in the Torrijos-Carter Treaties, another is willing to "explore" the possibility of the North Americans maintaining a "minimum and limited" military presence in the country.

A PRD source said that heated debates are expected during the PRD's regular congress in December. The source added that PRD members who oppose the talks say that extending the U.S. military presence in the country would betray the ideals of late Brigadier General Omar Torrijos Herrera, their spiritual leader and cosigner of the Treaties.

PRD leader Pedro Pereira says it is not right for the country as a whole to discuss the possible U.S. military presence because the subject has not even been discussed in the PRD. Pereira, a member of the dismantled PRD faction, said that one of his party's basic statutes is faithful compliance with the Treaties and the defense of national integrity.

Benjamin Colamarco, former Dignity Battalion commander and current member of the PRD's National Directorate, thinks most of his party's rank and file oppose the renegotiation of military sites. He said the public will learn precisely about the PRD's position after the regular congress in December, although he personally favors complying with the Treaties to the letter.

Colonel Roberto Diaz Herrera (ret.), former Chief of Staff of the now defunct Defense Forces, says that the subject of the bases must be handled carefully because if the U.S. Government's objective is to fight drug trafficking, then this government should station drug police and not soldiers with cannons and bombers in Panama. He added that it is important to know the military strength the North Americans need to defend the Canal.

Asked whether a renegotiation [renegociacion] of the bases would undermine Torrijism, Diaz Herrera, Gen Torrijos' cousin and comrade-in-arms, said the PRD founder was a practical man who, referring to the U.S. troops' departure, thought that "what is good today will not necessarily be good tomorrow."

Diaz Herrera added: "It is impossible to speak of treason at present because nothing specific is being negotiated. For instance, it has not been said how much we will be paid for the bases or how many soldiers the U.S. Government would like to keep in Panama."

New Resident Canadian Ambassador Presents Credentials

PA0610194195 Panama City Circuito RPC Television in Spanish 2300 GMT 4 Oct 95

[From the "RPC Television News" newscast]

[FBIS Translated Text] Panamanian Foreign Minister Gabriel Lewis Galindo received today the credentials of Louise (Lieghere), the new Canadian ambassador to our country.

This is the first time, since Panama and Canada established diplomatic relations in 1961, that the Canadian Government has appointed a resident ambassador to our country. Following the appointment of Louise (Lieghere) today, both countries hope to develop ties that unite them much more.

Canada plays a very important role in Panama's economic development, especially because 99 percent of all mining activities in Panama were the result of Canadian investments.

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Port Authority Director Comments on Interoceanic Railroad

PA0710140295 Panama City Circuito RPC Television in Spanish 2300 GMT 5 Oct 95

[Report by Luis Alberto Jimenez from the "RPC Television News" newscast]

[FBIS Translated Text] Steps are reportedly being taken to privatize the interoceanic railroad despite the fact some people believe the contract with the PYCSA Corporation is preventing that possibility. According to Hugo Torrijos, National Port Authority [APN] director, the contract with the PYCSA Corporation to build the Panama City-Colon Highway does not prevent improvements to the interoceanic railroad. According to him, the document prevents the improvement of the roadways that may compete with the new highway:

[Begin Torrijos recording] I want to state clearly that there is no way to make ocean-to-ocean transportation of liquid and container cargo efficient along the highway. To make ocean-to-ocean transportation truly efficient, it must be done by using the railroad. [end recording]

Regarding this issue, the APN is holding talks with the Bechtel Corporation to privatize the railroad and the Ports of Balboa and Cristobal. This U.S. firm will invest approximately 300 million balboas, it was reported:

[Begin Torrijos recording] What we have determined is that some sort of rent plus a percentage of the receipts generated by the port will eventually have to be paid for this concession, but this is not the most important thing. We must not be thinking about what the government is going to receive, but we must stress the fact the concession holder represents the interests and development we want. We want to have truly competitive ports in Panama. [end recording]

According to the APN director, six other foreign firms have indicated interest in the Ports of Balboa and Cristobal. A decision will be made soon in this regard.

Canal Commission Administrator Guardia Resigns

PA0710141195 Panama City LA ESTRELLA DE PANAMA in Spanish 7 Oct 95 p A-1

[Report by Emilio Sinclair]

[FBIS Translated Text] According to information acquired by this newspaper, Gilberto Guardia, Panama Canal Commission administrator, resigned yesterday.

The reason Guardia had to resign from the post he has held since 1990 is not known.

Gilberto Guardia replaced Fernando Manfredo Jr. to the post of Canal Commission Administrator and will hold it until his replacement is appointed. [sentence as published]

Confirms Resignation

PA0710182095 Panama City Circuito RPC Radio in Spanish 1700 GMT 7 Oct 95

[Report by Rigoberto Dumas Castillero from the "RPC News" newscast]

[FBIS Translated Text] [Castillero] Gilberto Guardia, Panama Canal Commission [PCC] administrator, confirmed to RPC this morning his resignation from the post for personal reasons. In a telephone interview with RPC, Guardia himself confirmed the news, which had been disseminated by various media since last night. Guardia confirmed that an official communique will be issued sometime this afternoon.

Guardia believes that the post of Canal administrator should be held by a person who can stay in it beyond the year 2000, when the waterway will revert to Panamanian hands, and that his condition and, probably, his age will not allow him to hold the post for many more years. Guardia said the PCC has already been informed of his decision, thus making his resignation official before the U.S. Government.

Meanwhile, RPC Radio was able to talk on the telephone with Franklin Castrellon, director of information and public relations of the PCC. Castrellon said the Panamanian Government will now have to nominate a candidate and submit it to the U.S. Government:

[Begin recording] [Castrellon] The procedure would be as follows: 1) The Panamanian Government nominates a candidate to replace Guardia; 2) The U.S. Government considers the candidate; 3) The President of the United States makes the official appointment; and 4) The Senate confirms the appointment. This is the proper procedure.

[Unidentified reporter] [Words indistinct]

[Castrellon] Unfortunately, this will depend on the goodwill of U.S. political authorities. I believe the procedure to appoint his replacement will not take a long time if Guardia's resignation becomes official in light of the close ties and relations of cooperation between the two governments, particularly regarding the Panama Canal. [end recording]

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Meets Press on Resignation

PA1010145995 Panama City Circuito RPC Television in Spanish 2300 GMT 9 Oct 95

[Report by Alexandra Ciniglio; from the "RPC Television News" newscast]

[FBIS Translated Excerpt] Panama Canal Commission [PCC] Administrator Gilberto Guardia met the press this morning on his decision to resign on 7 October. Engineer Guardia said that he will have confidence in whoever is chosen to replace him:

[Begin recording] [Ciniglio] Guardia, the first Panamanian PCC administrator, plans to return to his private life of professional and commercial activities. Guardia believes that a change is in order at this time, after five years in office and during the transition period.

[Guardia] I certainly was not politically pressured to resign from the post. I leave the post simply for personal reasons, one of which is my responsibility as canal administrator. We, Panamanians, must realize that 31 December 1999 is a very important date for Panama.

[Ciniglio] Eng. Guardia denied that his resignation is part of a reshuffle of strategic Panama Canal positions. He recommended keeping the commission's labor force as is to guarantee efficient operation. Guardia trusts that his successor will prove competent [adecuada].

[Guardia] Appointing an administrator is a political act. It is a political act par excellence because it affects the nation. It is the president's decision; thus, it is a political decision in the best sense of the word. It is not a petty political decision. The decision is not made to fulfill ambitions or relieve pressures. This is my opinion. I have been quite clear on this matter.

[Ciniglio] Guardia said that many Panamanians are qualified to occupy this post, regardless of political affiliation. Guardia assured that he will make no recommendations to the president but is willing to offer his advice.

Although there is nothing definite, potential candidates include Fernando Manfredo, Oyden Ortega, Ricardo Alberto Arias, Roberto Eisenmann, Eduardo Ritter, and Fernando Aramburu Porras.

[President Ernesto Perez Balladares] I have not yet named any candidates. I have not mentioned any of the names that you mentioned.

[Ciniglio] Although the Torrijos-Carter Treaties state that the Panamanian president is the one to nominate a candidate for the post, the U.S. President and Senate must confirm the nominee. Panama is now reviewing the issue.

[Perez Balladares] We will now start an evaluation process to find his replacement, but without any haste, because he left for personal reasons. There was no political pressure, as he himself pointed out. Quite the contrary, I asked him to stay in the post, because I thought that it was important for him to do so. [end recording] [passage omitted]

Ranking Officials React to Guardia's Resignation

PA0710213695 Panama City LA PRENSA in Spanish 7 Oct 95 p 1A

[Report by Vilma Figueroa B.]

[FBIS Translated Text] Panama Canal Commission [PCC] Administrator Gilberto Guardia resigned from his post for unknown reasons, according to unofficial reports disclosed repeatedly last night near the closing of this issue.

Last night, Panamanian Foreign Minister Gabriel Lewis Galindo told LA PRENSA on the telephone that he did not know whether or not Guardia had made his resignation official before the U.S. Government, because Guardia, according to him, is a U.S. Government official.

He added that several days ago Guardia had informed him about his intention to leave his post, but he did not discuss any details on the reasons for his possible resignation.

Lewis Galindo warned that this matter must be handled with "much sobriety," because it is not a political matter, but a voluntary resignation.

In addition, he said that a resignation of this sort involves a long process that could even take until next year, because thus far, the Panamanian Government does not have a candidate to replace Guardia.

"All Panamanians should acknowledge Guardia's outstanding work as head of the PCC, respect his decision, and understand that this is a voluntary, and not a political, resignation," the foreign minister stressed.

Meanwhile, sources of the Foreign Ministry neither confirmed nor denied Guardia's resignation to LA PRENSA last night, and announced that the Foreign Ministry will issue today, Saturday, an official statement to this effect.

A ranking Foreign Ministry official, who asked to remain anonymous, admitted that Guardia had plans to resign and that, if he did it, he would wait for the appointment of the new administrator and complete a transition period so as not to affect the canal's operation before leaving his post.

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He also denied, without giving further details, that Guardia's possible resignation was prompted by political reasons, and pointed out that his voluntary resignation will not affect the waterway's normal operation.

It was disclosed that the government of Ernesto Perez Balladares will pay homage to the PCC administrator for his outstanding performance as head of this U.S. federal agency, which has been administered jointly with Panama since 1979. The canal will revert to Panama at the end of this decade by virtue of the Torrijos-Carter Treaty, signed in 1977.

In the meantime, Presidency Minister Raul Arango remarked last night that he was not aware of Gilberto Guardia' possible resignation.

Former President Guillermo Endara emphasized that if Guardia's resignation is true, this would be a "terrible situation," because Guardia is an honest and hardworking man who has done his best to guarantee the canal's sound operation.

He indicated that he does not want to think about it, but he cannot help thinking that Guardia might have submitted his resignation because of "political pressures."

Ministry Communique on Canal Administrator's Resignation

PA1010153095 Panama City EL SIGLO in Spanish 9 Oct 95 p 10

[By Jose Gonzalez Batista and Diamar Aparicio B.]

[FBIS Translated Text] Panamanian businessman I. Roberto Eisenmann and PRD [Democratic Revolutionary Party] legislator Oyden Ortega are considered likely candidates to replace Panama Canal Commission [PCC] Administrator Gilberto Guardia, who has resigned for personal reasons. Eisenmann and Ortega are considered real contenders for that important PCC post.

A representative from the Foreign Ministry's Public Relations Department confirmed at a news conference on 8 October that Guardia has resigned. Erich Rodriguez Auerbach, Foreign Ministry spokesman and adviser, said that the government is currently reviewing its options in filling this position, which is very important to both Panama and the United States. Rodriguez pointed out that the process of selecting a new administrator "will not be easy" and that Panama must carefully and calmly study the new appointment. "Guardia took all of this into account before deciding. He showed Panama how serious he is by giving us time to seek his replacement," the Foreign Ministry adviser stressed.

He also said that President Ernesto Perez Balladares' government will continue to support Guardia, even after resigning as PCC administrator. The spokesman said that the government regrets Guardia's resignation, which was due to personal reasons and which has no political overtones, as he himself explained. "He had already submitted his resignation to the Panamanian and U.S. Governments. He is a U.S. federal employee," Rodriguez added.

The high-ranking official said that the new PCC administrator must remain in post beyond the year 2000. The Panama Canal Treaties will run out and the waterway will be in Panamanian hands after 31 December 1999.

Meanwhile, unofficial word from the Foreign Ministry yesterday indicates that businessman Eisenmann, former editor and former president of LA PRENSA daily's board of directors, is included on the list of likely candidates for PCC administrator. Eisenmann, a civic leader and businessman known to oppose the military dictatorship, was previously mentioned as candidate for Interoceanic Region Authority (ARI) administrator.

Legislator Ortega is currently serving as president of the Legislative Assembly's Foreign Relations Commission for the second time. Ortega, a well- known Panamanian politician and member of the ruling party, was one of the negotiators of the Panama Canal Treaties signed in 1977 and has served as labor minister.

The official Foreign Ministry communique follows:

Panama City

8 October 1995

COMMUNIQUE

The Panamanian Foreign Ministry wants to make public its position on Engineer Gilberto Guardia's resignation as PCC administrator, as he communicated to President Ernesto Perez Balladares and U.S. President Bill Clinton.

1. We regret Guardia's decision. The decision was made for personal reasons and has no political overtones whatsoever, as administrator Guardia himself noted.

2. Guardia is a distinguished Panamanian professional. His performance as PCC administrator is worthy of recognition. President Perez Balladares' government has supported him, is supporting him, and will continue to support him and the work he is doing as PCC administrator. Guardia has managed the Panama Canal in an honest, serious, efficient, and spiritually patriotic fashion.

3. The government will carefully study the alternatives for his replacement. It will not be an easy process.

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Guardia took this into account before making his decision. Guardia proved just how serious he is by giving the government the time needed to find his replacement, taking into account that whoever accepts this major responsibility will remain in his post beyond the year 2000.

4. In light of all the issues regarding the Panama Canal — the transition of the administration from North American hands to Panamanian hands and faithful compliance with the Panama Canal Treaties — Dr. Perez Balladares' government acts and will continue to act with national interests and not the interests of any particular group in mind. We are living through a special time in our country's history. We all must act responsibly and seriously in view of the challenges the future will bring.

Erich Rodriguez Auerbach

Media Adviser, Foreign Ministry

Planning Minister on Debt Negotiations With Banks

PA0610205195 Panama City Circuito RPC Television in Spanish 2300 GMT 4 Oct 95

[Report by Alexandra Ciniglio; from the "RPC Television News" newscast]

[FBIS Translated Text] Panama is currently negotiating with commercial banks an old debt amounting to $4 billion. These negotiations have begun, but as Alexandra Ciniglio explains, the first disbursements could be made during the first quarter of next year.

According to Guillermo Chapman, planning and economic policy minister, the process to refinance the country's public debt with commercial banks has gone through the necessary steps to reach an agreement with 245 creditors. The agreement that is being drafted through the Brady Plan, seeks to decrease the amount of money owed and to extend the payment deadline.

[Begin recording] [Chapman] The debt amounts to exactly $2.1 billion. It is quoted in dollars and the accumulated interest amounts to $1.9 billion for a total of $4 billion.

[Ciniglio] Are national investments being adversely affected by these international commitments? Is this reflected in the budget?

[Chapman] You asked two questions. The answer to the second question is that it is in fact reflected in the budget. We are studying the possibility of approving the necessary allotments to make the initial payments and start servicing the debt. As for your first question, how much does this affect our capability to make investments, I say it clearly affects it. It has a positive effect because what we are doing by repairing our credit and getting our payments up to date is becoming creditworthy once again. [end recording]

The budget for next year is $4.7 billion, and even though many have criticized it, Minister Chapman defends it.

[Begins Chapman recording] The budget shows an increase for all public sector activities. It takes into account all wage increases as determined by law. It includes all investment projects. [end recording]

According to the minister, the budget allocation requests made by government institutions had exceeded our existing resources by $800 million and that is why cuts were made. He explained that the inefficiency of certain state institutions cannot be justified by saying that economic resources are lacking.

Poll Rates Performance of Administration, President

PA0710171095 Panama City EL PANAMA AMERICA in Spanish 6 Oct 95 p A-1

[Report by Carlos Vargas]

[FBIS Translated Text] A survey conducted by the polling firm Cid/Gallup for EL PANAMA AMERICA revealed that the majority of Panamanians, 58 percent, believes the performance of President Ernesto Perez Balladares' administration is "neither good nor poor," but it also notes that former President Guillermo Endara "received a better evaluation" in an almost identical time period.

The survey, which was conducted from 19-27 September and included the opinions of 1,202 citizens, stated that 21 percent feels that Perez Balladares is fulfilling his duties "well or very well," and 18 percent describes his performance as "poor or very poor."

According to Cid/Gallup, the Endara administration, during its first 10 months in office, received a better rating for its performance than the Perez Balladares administration.

Comparing the Perez Balladares administration with that of Endara up to October 1990, the polling firm indicated that 40 percent of Panamanians viewed the Arnulfist president's administration as "very good and good," 44 percent called it "neither good nor poor," and 13 percent said "poor or very poor."

Even though Perez Balladares maintains a 3 percent favorable margin, which is the difference between positive and negative opinions, Cid/Gallup stated the President "has fallen 55 points" in this category since taking office.

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In September 1994, the difference between positive and negative opinions was 58 percent in favor of Perez Balladares, and it is now 3 percent.

The poll also indicated there is a growing "impression" that there is greater corruption in this government than in the previous one. Sixty-four percent of those polled believe it is greater or the same. Only 48 percent of those polled believed this in May 1995.

Regarding political preferences, the poll discloses that the ruling PRD [Democratic Revolutionary Party] has dropped 12 points in one year after being in power, but opposition parties registered no increase in popularity.

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Argentina

Menem: 'No Personal Confrontation' With Castro

PY1010134395 Buenos Aires TELAM in Spanish 1241 GMT 10 Oct 95

[FBIS Translated Text] Buenos Aires, 10 Oct (TELAM) — President Carlos Menem today stressed: "There is no personal confrontation with him, just a confrontation of ideas." He thus referred to Fidel Castro, the Cuban leader, who will participate in the 5th Ibero-American Summit of Chiefs of State and Government, which will be held in San Carlos de Bariloche.

Menem told Radio 9.90 that no meeting with Castro has been scheduled in Bariloche, but clarified that "meetings with the Cuban chief of state are not programmed, and when we do meet we always have a pleasant, relaxed, and cordial conversation."

Di Tella Highlights South-East Asia Tour Achievements

PY1010143395 Buenos Aires TELAM in Spanish 2142 GMT 7 Oct 95

[FBIS Translated Text] Buenos Aires, 7 Oct (TELAM) — Foreign Minister Guido Di Tella today underscored the achievements of the president's tour of the Arab Emirates, South Korea, the PRC, and the Philippines. He said the opening of new markets is instrumental in creating new jobs.

Commenting on the signing of several import and export agreements with the aforementioned countries, Di Tella said: "This was one of the most balanced tours [the president has made]."

Di Tella emphasized: "We have opened new markets. The creation of new jobs is essential in each of the projects. This will bring about greater economic, commercial, and investment activity, in sum, more openings. This is the way to combat unemployment."

The foreign minister called a news conference at the Ezeiza International Airport upon his arrival from his tour of South-East Asia accompanying President Carlos Menem.

Di Tella said that while in the Arab Emirates, "we discussed the possibility of purchasing fruit, beef, and rice from them and we are going to explore this possibility even further since they are exporters of these three products." [sentence as received]

The foreign minister reported that during the president's state visit to Korea, "it was agreed that Korean health authorities will visit Argentina before the end of the year to verify the complete eradication of foot-and-mouth disease in Argentina. This will grant us access to the Korean beef market, which is very important and very fast growing."

Di Tella added: "Argentina and North Korea signed a very significant nuclear cooperation agreement under which we will participate in the streamlining of nuclear power stations in that country."

The foreign minister underlined the importance of the meetings with representatives from the companies Kia, Goldstar, Samsung, Hyundai, Hara, and Daewoo.

He said: "Kia displayed keen interest in automobile projects; Hara was interested in Puerto Madryn [Chubut Province]; while Hyundai manifested interest in electricity projects." He added: "Daewoo is installing a plant in Argentina to manufacture vans."

Di Tella added: "In China, an agreement was reached on the opening of a consulate in Shanghai, where we held talks with the mayor, a very important political figure who is very interested in securing a source of supply" of food.

"In Beijing, it was agreed — like in Korea — that health authorities would visit Argentina to analyze the issue of beef. China is also particularly interested in some investments in Mendoza Province."

Viewing the visit to the Philippines, Di Tella said: "Some 17 Argentine meat-packing plants have been authorized to export to that country, which constitutes a potential market of $25 million."

He said: "The same is true for agricultural products; we were not registered as suppliers of grain for the government's stocks. We remedied this situation and we will now export 130,000 metric tons of grain to the Philippines, which will bring in some $25 million."

Di Tella believes Argentina "was considered to have nothing to do with Pacific rim countries. Yet, we have had considerable and very close ties with them since we gained access to Chilean ports."

Frepaso 'Landslide' in Buenos Aires Senatorial Elections

PY1010155195 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0215 GMT 9 Oct 95

[FBIS Translated Excerpt] Buenos Aires, 8 Oct (NA) — The Front for a Country in Solidarity (Frepaso) won a landslide victory in the City of Buenos Aires today. Having polled more than 45 percent of the vote — the highest percentage ever received by that coalition — Graciela Fernandez Meijide was elected as third senator for the constituency.

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The preliminary vote count released by the Buenos Aires Stock Exchange this evening shows Fernandez Meijide polled nearly twice as many votes as her rivals from the Justicialist Party [PJ] and the Radical Civic Union [UCR], Antonio Erman Gonzalez and Jorge Vanossi, respectively. Vanossi was slightly ahead of Gonzalez.

This preliminary vote count — with 74 percent of the polling stations tallied — shows Frepaso received 602,952 votes (45.48 percent) while the UCR polled 319,925 votes (24.13 percent, and the PJ 304,267 votes (22.95 percent).

The Frepaso's victory today consolidates the absolute dominance of the alliance led by Carlos "Chacho" Alvarez and Jose Octavio Bordon in Buenos Aires, the only constituency the PJ did not carry at the 14 May presidential elections. [passage omitted]

UCR Candidate Elected Chaco Province Governor in Runoff

PY1010160895 Buenos Aires TELAM in Spanish 0324 GMT 9 Sep 95

[Report by special TELAM correspondents in Resistencia, capital city of Chaco Province]

[FBIS Translated Excerpt] Resistencia, 8 Oct (TELAM) — Angel Rozas, from the Radical Civic Union [UCR], was elected governor of Chaco Province during a runoff election. He beat his rival from the Justicialist Party [PJ], Florencio Tenev, by two percentage points. Tenev conceded defeat shortly before midnight.

The result of the latest count — after tallying 1,911 of the 1,934 polling stations — shows Rozas succeeds Rolando Tauguinas in the Chaco Province governorship. The UCR candidate polled 202,933 votes (50.83 percent) while Tenev received 196,308 votes.

Rozas' victory is due to fact that he won the Chaco Action vote. In the first round, on 10 September, Rozas received 35.44 percent of the vote, whereas the Chaco Action polled 20.26 percent.

The PJ then obtained 43.77 percent of the vote, thus making a runoff election necessary. [passage omitted]

Neuquen Popular Movement 'Successful' at Governorship Poll

PY1010170695 Buenos Aires TELAM in Spanish 1356 GMT 9 Oct 95

[Report by special TELAM correspondent in Neuquen]

[FBIS Translated Excerpt] Neuquen, 8 Oct (TELAM) — The latest vote tally after tabulating 99.70 percent of the votes shows the Neuquen Popular Movement (MPN) was successful at yesterday's poll. Of the parties vying for the Neuquen Province governorship, the MPN received 107,697 votes (54.98 percent).

The runner-up in the election in which Felipe Sapag was elected governor was PJ [Justicialist Party] candidate Horacio Rachid, who polled 25,440 votes (12.99 percent). Radical Civic Union [UCR] Candidate Victor Paez came third with 18,490 votes (9.44 percent). The Front for a Country in Solidarity [Frepaso], which fielded Oscar Massei, received 17,754 votes (9.06 percent).

Blank votes in the race for the governorship totaled 17,090 (8.72 percent) and for the legislature, 22,040 (11.38 percent).

Having received 52.71 percent of the vote, the MPN secured 23 seats in the lower chamber of the Neuquen legislature, thus gaining an absolute majority there. Of the 23 seats available, 10 go to the "Blanco" faction of the incumbent governor, Jorge Sobisch, and 13 go to the "Amarillo" faction of Governor-elect Sapag.

The PJ won five seats, having received 12.71 percent of the vote whereas the UCR — which polled 9.75 percent of the vote — won four seats, and Frepaso — which came fourth with 8.82 percent of the vote — won three seats.

The MPN also carried the Neuquen mayoralty. Luis Jalil was voted into office as Neuquen mayor. The MPN also gained a majority on the town council. [passage omitted]

Police Use Tear Gas, Clubs, Whips on Tucuman Pensioners

PY1010151295 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0219 GMT 10 Oct 95

[FBIS Translated Excerpt] San Miguel de Tucuman, 9 Oct (NA) — Groups of state workers and pensioners on two occasions today had violent confrontations with provincial police while demonstrating in front of the [provincial] Congress to repudiate the transfer of the Pensioners Fund to the Federal Government.

Two demonstrators were wounded by rubber bullets during serious incidents outside the seat of Congress, while another seven — two of them minors — were arrested by the provincial police.

The demonstrators grouped during the morning, seeking to get congressmen to promise they would not vote for the transfer of the provincial social security system or for anticipated retirement, but police prevented them from entering the building.

After much pushing and shoving which caused guard rails to tip over, a violent confrontation took place

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between police and demonstrators when the security forces began to fire tear gas and rubber bullets.

Workers and pensioners tried to resist the frontal advance of the police, who, on foot and with trained dogs, broke up the protest.

The outcome of the clash was two workers of the Pension and Social Security Institute and of the Provincial Pension Fund with wounds from rubber bullets.

The police said that during the night a group of demonstrators, including some alleged activists, approached the security cordon around Congress, where the Chamber of Deputies was in session.

One civilian threw an egg at the police cordon without observing that a policeman in civilian clothes among the demonstrators. The civilian was immediately arrested.

The police fell on the demonstrators, repressing them with clubs and in some cases with whips, and arrested seven demonstrators. They were taken to Police Precinct No. 1. [passage omitted]

Bolivia

President Notes 'Lack of Coordination' With DEA

PY1110020895 La Paz Radio Cadena Nacional Network in Spanish 2300 GMT 10 Oct 95

[FBIS Translated Text] President Sanchez de Lozada has recognized that he has his hands tied and cannot redefine the rules of the game with the DEA. The president talked with us on the phone from France, one of the six countries included in his longest trip abroad.

The president explained the proven lack of coordination between the DEA, which is subordinated to the U.S. Embassy, and the Special Antinarcotics Force [FELCN]. The case of the plane carrying drugs seized in Lima made it evident that the DEA has intelligence information that is not available to national authorities. That organization only trains and offers partial information to the FELCN.

President Sanchez de Lozada is acquainted with the problem. He warned that the DEA conditions of cooperation are difficult to change.

[Begin recording] [Unidentified reporter] We hope you are enjoying your trip to Europe. Please, tell us, what do you think about this problem?

[Sanchez de Lozada] I think Bolivia will have great difficulties fighting such a great scourge, a scourge that affects the entire world, without the support of agencies such as the DEA, Interpol, and the cooperation of different international and national agencies dedicated to fighting drug trafficking.

Naturally, it will be negative for our struggle if the problem is not being handled with the appropriate coordination and efficiency. [end recording]

The president will seek the economic support of European nations to replace the economic void left by the U.S. decision to reduce its cooperation.

Sustainable Development Ministry Officials Installed

PY1110012595 La Paz LA RAZON in Spanish 22 Sep 95 p B7

[FBIS Translated Text] Apparently consummating the replacement of high-ranking government officials in the Sustainable Development and Environment Ministry, which, after the last cabinet crisis, is now in the hands of the UCS [Solidarity Civic Union], Victor Hugo Garcia was installed as secretary general of the Sustainable Development and Environment Ministry yesterday.

Garcia, who replaces Ramiro Antelo, was installed by Sustainable Development Minister Moises Jarmusz. Garcia committed himself to pursuing the projects being developed by the Sustainable Development and Environment Ministry. Ramiro Ortega, who again occupies a government post, was also installed as planning secretary a few days. His appointment caught everyone by surprise because everyone expected the appointment of an UCS member for the post vacated by Alfonso Kreidler.

Ortega served as capitalization secretary until March 1994, when he left the government for health reasons.

Jarmusz indicated that Ortega was appointed at the request of President Gonzalo Sanchez de Lozada. Jarmusz pointed out that he trusts in Ortega's professional capacity to serve as planning secretary.

Tin-Producing Countries Establish New Quotas

PY1010225595 La Paz LA RAZON in Spanish 19 Sep 95 p B6

[FBIS Translated Text] La Paz (ANF) — The Association of Tin-Producing Countries (APPE) has accepted Brazil as a new full member. The association also decided to deregulate the market by mid-1996.

The main resolutions of the 13th APPE Annual Assembly, which was installed on 18 September, were read by Economic Development Minister Jaime Villalobos. He said that in six to eight more months the market will be in "normal supply and demand conditions."

The decision is an answer to an item on the agenda that was reviewed by the 38th executive committee, which met at the Hotel Tajibos de Santa Cruz between 13 and

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15 September. All APPE official delegations met at this hotel.

Special Relevance

Villalobos spoke before the delegations of Australia, China, Indonesia, Malaysia, Nigeria, and Thailand, besides the observers from Brazil and Peru. Villalobos said the ministerial meeting has "special relevance" because of the special conditions surrounding it.

Villalobos congratulated Brazil for joining APPE and greeted Peru for attending the world conference as an observer for the first time.

The minister said that APPE must continue trying to convince new countries to join the association and mentioned Portugal, Burma, and Vietnam. He said if those countries joined in, APPE would control nearly 85 percent of the world tin market. APPE controlled nearly 70 percent of the market before Brazil decided to join the association.

Burma was invited as an observer but it did not attend. Full member Zaire did not send any delegation.

The Goals

Villalobos said that total stocks dropped to 27,000 Fine Metric Tons (TMF) in June. According to APPE projections, the goal — provided no speculative operations affect the market — is to keep only 20,000 TMF as total stocks.

The minister recalled the severe tin crisis that crashed the market in 1985. Villalobos said the World Council of Tin collapsed because producing countries had excessively large stocks, a situation that is slowly been reverted thanks to a production and export quota system that APPE implemented seeking to stabilize the market.

Villalobos also discussed the problem that will be created if the United States decides to sell its strategic reserves, amounting to some 6,000 TMF, in the market through the controversial "Defense Logistic Agency" (DLA).

Brazil

Vietnamese President Arrives on Two-Day Visit

PY1010193495 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 9 Oct 95

[FBIS Translated Text] Vietnamese President Le Duc Anh arrived in Brasilia on 9 October a two-day visit. He is the first president of the SRV to visit Latin America. On 10 October the visitor will fulfill his official agenda in Brasilia, and on 11 October he will go to Sao Paulo.

Meets With Cardoso, Discusses Trade

PY1110005595 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 10 Oct 95

[Report by Lourival Macedo at Planalto Palace]

[FBIS Translated Text] The Brazilian and Vietnamese presidents met today at Planalto Palace. Fernando Henrique Cardoso and Le Duc Anh discussed bilateral matters for 15 minutes.

Vietnam, which is opening its economy to foreign investment, wants to increase its trade relations with Brazil and is interested in transportation equipment as well as in having access to technology in the area of electrical energy generation.

Vietnam's economic growth has been 7.9 percent per year from 1991 to 1993. Last year, the economy of that Asian country grew 8.8 percent. Vietnamese exports to Brazil totalled $17 million in 1993, and last year they went up to $44 million, thus increasing by 157 percent. The main exports are textile products, rice, coal, crude oil, tea, fish, and fish by-products. Brazilian exports to Vietnam are insignificant. They dropped from a little more than $4 million in 1993 to less than $2 million in 1994.

Tomorrow, the Vietnamese president will visit the Brazilian Aeronautics Company in Sao Jose dos Campos, Sao Paulo State, and will hold a meeting with industrial entrepreneurs at the Sao Paulo State Federation of Industries.

WTO Urges Government To Suspend Car Import Quotas

PY1010133195 Sao Paulo AGENCIA ESTADO in Portuguese 1721 GMT 9 Oct 95

[FBIS Translated Text] Sao Paulo, 9 Oct (AE) — The WTO Balance of Payments Committee has just officially confirmed that Brazil must suspend its provisional measure establishing import quotas on cars. In a special meeting this afternoon in Geneva, the committee upheld a decision made during consultations held on 5-6 October. Celso Lafer, head of the Brazilian mission to the WTO, told AGENCIA ESTADO by phone from Geneva that, although it does not set a deadline, the decision of the Balance of Payments Committee should be considered "advice" rather than an "order." Lafer added: "It entails a strong recommendation that should be heeded because the committee has not accepted Brazilian justification that the quotas were necessary to deal with its balance of payments problems." The committee's recommendations will now be submitted to the WTO General Council, which is also expected to unanimously vote for suspending Brazilian car import quotas. Lafer

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said the WTO General Council is expected to make its decision in November. He said: "It will reinforce the decision today by the Balance of Payments Committee." He made it clear that "Brazil can no longer discuss the issue within the WTO General Council."

Government To Examine WTO Ban on Car Import Quotas

PY1010134595 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 10 Oct 95

[FBIS Translated Text] The Chamber of Foreign Trade must examine the WTO request for Brazil to discontinue its car import quota system. The WTO vowed to consider trade sanctions against Brazil if car import quotas are maintained in 1996.

The administration has not yet decided on discontinuing, at the WTO's request, its car import quota system. During its latest meeting in Geneva, the WTO decided the Brazilian car import quota policy is protectionist.

Frederico Alvares, executive secretary of the Industry, Commerce, and Tourism Ministry [MICT], said it is incumbent upon the Foreign Trade Chamber — which is not scheduled to convene for another three weeks — to examine these issues. A special meeting of the Foreign Trade Chamber has not been ruled out. Under the car import quota system, Brazil may only import 150,000 cars until the end of 1995.

MICT Minister Dorothea Werneck has stated that the Brazilian Government will always examine the WTO recommendations, but noted that in no way it will allow uncontrolled importation of cars, which will ultimately damage the Brazilian auto industry.

The WTO only authorizes import quotas when the volume of imports represents a threat to a country's economy. WTO experts did not understand why the Brazilian Government established car import quotas after it raised import tariffs to 70 percent in March.

Revenue Secretary Views Tax Changes

PY1010125495 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Sep 95 p B14

[Interview with Federal Revenue Secretary Everardo Maciel by Ribamar Oliveira and Riomar Trindade; place and date not given]

[FBIS Translated Excerpt] [Passage omitted] [O ESTADO] One of the criticized aspects of the bill that modifies Corporation Income Tax refers to the end of monetary correction in balance sheets. Some congressmen believe this will increase the amount of income tax paid by enterprises.

[Maciel] Simplification is an essential objective of this reform. There is no way to simplify legislation without ending monetary correction. It only exists in Brazil and two other countries: Mexico and Chile. Monetary correction makes the tax system extremely complex, allows tax planning, tax evasion, and makes our laws difficult for foreign investor to understand. They find Brazilian laws extremely complex. Most of this complexity derives from monetary correction. If inflation again rises, there will be an increased tax burden on those who pay taxes under the regime of real profit. But they are a minority. Most taxpayers do not use monetary correction because they pay under the presumed profit regime. By ending monetary correction, we will stimulate a sort of pact between enterprises and the government. Increased inflation also increases the individual tax burden on enterprises that declare their individual income tax based on real profit. Thus, a reduction of the inflationary level will reduce the individual tax burden of these enterprises. Therefore, we become united in the same objective. We become partners in fighting inflation. This implies one prize and one punishment.

[O ESTADO] Some economists are saying that the neutral inflation rate was established at 18 percent. Above that, enterprises begin to pay more income tax. What guarantee do we have that we will have this inflation rate next year?

[Maciel] There is no such guarantee. The responsibility for fighting inflation is not only that of the government. It is the responsibility of the entire society. There are no guarantees for the workers in salary de-indexation either. There is no way to justify that one area of society has guarantees against inflation while there is none for other areas. We must make the fight against inflation interesting for the whole of society. We cannot establish guarantees for one area without granting the same guarantees to other areas.

[O ESTADO] Another criticism is that changes to the Corporations Income Tax [Imposto de Renda de Pessoa Juridica — IRPJ] are not equal [neutras] for all enterprises. Capitalized enterprises will be harmed. Additional taxes levied on the financial area have been reduced and equalized compared with other enterprises.

[Maciel] It was not this bill that made the financial enterprises equal to the others. As of January, egalitarian treatment regarding the IRPJ was established for financial and nonfinancial enterprises. This is the right way to treat them. I don't see why there should be differences between a financial enterprise and a nonfinancial one. Regarding capitalized enterprises, an instrument to allow deductions from the capital earnings on risk capi-

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tal has been proposed. Only a 15-percent tax rate in the name of the benefited person can be levied on this deduction. In other words, there is a compensation mechanism. This procedure is an innovation introduced by the bill and it seeks to establish a balanced treatment between the interest-bearing capital [capital de emprestimo] and the risk capital. In the case of interest-bearing capital, the deduction can be made over financial expenses. In accordance with current rules, it is not possible to use this deduction method if an investment is made using risk capital. So, what can be done? The deduction is done by paying a dividend to shareholders. This will be deductible from the tax base, but will be limited to that TJLP [long-term interest rate] variations. There is no possibility of implementing a neutral corrective change in the IRPJ legislation without causing imbalances. The neutral change assumes that the current situation should not be modified.

[O ESTADO] But in what sense is the change not neutral?

[Maciel] Whenever egalitarian treatment is established between risk capital and interest-bearing capital, between levying taxes on those who live and the ones who do not live in the country; when the monetary correction is eliminated; and when the possibility of resorting to tax planning, which can only be used by the largest enterprises, is made more difficult. I am pointing out only some of the corrections we tried to include in this proposal.

[O ESTADO] Some congressmen believe the bill increases taxes on small- and medium-sized enterprises. Does it?

[Maciel] That does not make sense. We have increased the ceiling above which it is mandatory to choose the real profit regime. We have increased the number of enterprises that can opt for the presumed profit regime. Small- and medium-sized enterprises have a direct benefit because a reduction in the tax rate was chosen as a way to compensate to end monetary correction in balance sheets. Currently, we have an interest rate of 25 percent plus 18 percent, which totals 43 percent. The bill proposes a 15-percent interest rate plus an additional 10 percent, which totals 25 percent. Small- and medium-sized enterprises that declare their incomes through the presumed profit regime will have only a 15-percent interest rate. There has evidently been a reduction in the individual tax burden, which allows enterprises to achieve a legal tax status instead of having a permanently informal status.

[O ESTADO] What about the large enterprises?

[Maciel] We must evaluate each case separately because the solution depends on each enterprise's individual situation. If the change were absolutely neutral, there would be no change.

[O ESTADO] Why did you change the IRPJ?

[Maciel] A series of modifications were made to stimulate investments, while seeking a balanced treatment for third-party risk capital compared with interest-bearing capital. We are stimulating investments and production by making investments by those who do not live in the country equal to the investment of those who do. We currently have an entirely distorted situation. The tax situation of foreign investors was unfavorable compared to those who lived in the country. We want to treat the situation in a balanced, uniform manner. We also want to simplify things. Taxes do not have to be complicated as well as disagreeable.

[O ESTADO] To what extent will these changes simplify the situation for enterprises?

[Maciel] Considerably. Most of the current complexity is associated to monetary correction in balance sheets. Eliminating monetary correction in balance sheets is an extraordinary change. There will be less papers, books, forms to be filled, and so forth. We could have implemented bigger changes. We didn't because of several restrictions to our plans. Taxes are figured monthly. We would like it to be yearly, but we would not be able to implement this change without losing revenue. If the basis were changed from monthly to yearly, the government would undoubtedly lose revenue flow during the year. What can we do to solve this? We would like to change it from monthly to yearly, as is normally done in a stabilized economy in which the government seeks to reduce accounting cost and to simplify tax collection. We did not do that, however, because we do not have constitutional permission to collect taxes in advance. If we could collect taxes in advance, we could maintain the current revenue flow with the advantage that, by changing the basis from monthly to yearly, we would have a simpler tax system. This suggestion is included in the article on IRPJ of the government's constitutional amendment proposal for tax reform. If this proposal is approved in Congress, we will have made one more change in the IRPJ legislation.

[O ESTADO] The government initially said it would charge 15 percent tax on investments in the stock market, but the proposal suggests 5 percent in 1996, 10 percent in 1997, and 15 percent in 1998. What has changed?

[Maciel] In both cases, we are talking about a 15-percent tax. I have always defended gradual changes in taxes,

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particularly in a market as extremely sensitive as the stock market. Considering the possibility of a 15-percent tax on these investments, we concluded that the most convenient way of doing that now would be to gradually increase the rate from 5 to 15 percent.

[O ESTADO] Was the change implemented for fear of seeing foreign resources leave the country?

[Maciel] What counts in these cases is profitability, guarantees on investments, and investment risk — not the tax rate. The tax rate did not keep investors away from the Mexican stock market at the start of this year. What makes capital enter or leave a country is not the tax rate. The situation in Brazil is inequitable. Residents who invest in the stock market pay 10 percent tax, while foreign investors do not pay anything. Our proposal is that both parties pay 15 percent.

BNDES President Resigns; Replacement Named

PY1110010895 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 10 Oct 95

[FBIS Translated Text] BNDES [National Bank for Economic and Social Development] Edmar Bacha has resigned for personal reasons.

Economist Bacha likes to work quietly. He has always avoided talking to the press, despite the fact that over the past few years he has been at the center of economic decisions.

He was one of the authors of the Cruzado Plan, and he was a member of the team that designed the Real Plan. He headed the IBGE [Brazilian Institute of Geography and Statistics] and was special adviser to former Finance Minister Fernando Henrique Cardoso. President Cardoso wanted Bacha to stay in Brasilia, but the latter preferred to stay in Rio de Janeiro, heading the BNDES.

Bacha claimed to have resigned for personal reasons. Yet the facts of the matter are that over the past few months, politicians — especially Liberal Front Party politicians — have substantially increased their pressure, protesting the slow rate of the privatization process.

Bacha will be replaced by economist Luiz Carlos Mendonca. A Matrix bank stockholder, Mendonca is the brother of the Economic Policy Secretary of the Finance Ministry.

PSDB Efforts To Increase Seats in Congress Reported

PY1010234295 Rio de Janeiro JORNAL DO BRASIL in Portuguese 5 Oct 95 p 3

[FBIS Translated Text] The PSDB [Brazilian Social Democracy Party] won another seat in the Senate with the membership of Senator Roberto Arruda (ex-PP-DF) [Popular Party-Federal District], the government deputy leader in the Senate. Arruda — the federal government candidate for federal district governor in 1998 — registered his membership with the PSDB at the party headquarters. The ceremony was attended by Governors Tasso Jereissati and Eduardo Azeredo, Planning Minister Jose Serra, Federal Administration Secretary Luis Bresser Pereira, Civil Household Chief Clovis Carvalho, and presidential Secretary General Eduardo Jorge Caldas, in addition to lawmakers from several parties. The PSDB is enforcing an aggressive policy to expand its bloc in Congress. Since the beginning of the year, the number of PSDB senators grew from 10 to 13, while the number of PSDB deputies grew from 64 to 82. Deputy Marcone Perillo [PP] (GO) [Goias] and Deputy Osvaldo Reis (PPB-TO) [Brazilian People's Party-Tocantins] will join the PSDB on 6 October, while Deputy Fatima Pelaes (PFL-RO) [Liberal Front Party-Roraima] will do so next week. Senator Coutinho Jorge (PMDB-PA) [Brazilian Democratic Movement Party-Para] is expected to join the PSDB at the end of October.

New Law Empowers SAE To Control Export of Missiles

PY1010134795 Rio de Janeiro JORNAL DO BRASIL in Portuguese 6 Oct 95 p 4

[FBIS Translated Text] Under a new law passed by the Senate on 5 October, the Strategic Affairs Secretariat [SAE] will control the exports of goods and services in all areas of the materiel, chemical, civil and military nuclear industries. Thus, the SAE will control exports of sophisticated weapons, missiles, nuclear components, and items intended for exclusive military use. Senator Hugo Napoleao (PFL-PI) [Liberal Front Party-Piaui] said: "The new law will pave the way for Brazilian access to sensitive technology."

Embraer Wins Tender To Supply Military Planes to NATO

PY1110012795 Sao Paulo AGENCIA ESTADO in Portuguese 1948 GMT 9 Oct 95

[By Julio Ottoboni]

[FBIS Translated Text] Sao Jose dos Campos, 9 Oct (AE) — Mauricio Botelho, the new president of the

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Brazilian Aeronautics Company (Embraer), today announced that the Super Tucano (EMB-312 H) plane has been chosen for a NATO pilot-training program. He also reported the company's new organizational structure. The company will be decentralized and will have a specific department to deal with new markets and product diversification. "We want to be proud to say that Embraer is internationally competitive," he said.

The sale of 25 Super Tucanos to NATO — through the Canadian Air Force — might put the plane back on the market. The Brazilian-made turbo propeller plane this year lost a major tender — the Jpats — sponsored by the U.S. Air Force and Navy. The Super Tucano was the great favorite, which affected the plane's marketing possibilities. At the new tender, however, the Super Tucano competed with its usual rivals and defeated them. This reassured the enterprise's expectations over its future. "This is a very important deal," Botelho said.

Under the terms of the contract, Embraer may not report transaction figures. The enterprise, however, expects NATO to place new orders. The first planes will be delivered in 1998. The tender was coordinated by Bombardier, a French aerospace group. In addition to the Brazilian planes, BAe Hawk 100 planes — made by British Aerospace — were also chosen in the tender. A pool of enterprises will provide the flight simulators. Several Latin American Air Forces want to buy this plane.

Vietnamese President Le Duc Ahn on 11 October will visit Embraer. He will observe the factory and the military and civil planes it produces. This is the only industrial facility to be visited by the Vietnamese delegation.

Chile

Foreign Minister Denies U.S. Legislators Exerting Pressure

PY1010133495 Santiago EL MERCURIO in Spanish 6 Oct 95 p C4

[FBIS Translated Text] Foreign Minister Jose Miguel Insulza minimized two letters sent by U.S. legislators as an alleged result of pressure being exerted by businessman Douglas Tompkins to hinder Chile's entrance to NAFTA.

Insulza denied that the letters represent any form of pressure or are related to the U.S. debate regarding the "fast track" [two preceding words given in English], which the U.S. Government needs to negotiate international economic agreements, among them Chile's entry to NAFTA.

Minister Insulza was asked about comments yesterday by Deputies Alejandro Garcia-Huidobro (UCCP [Progressive Center-Center Union]) and Claudio Alvarado (Independent) on the two letters from U.S. legislators. Insulza was asked if Tompkins is harmfully pressuring Chile due to the way in which the Chilean Government has treated his project to create a natural park in Southern Chile.

Insulza said: "This incident is of no importance. It is an almost mechanical procedure used by deputies, not just U.S. deputies but also by those of other countries, to write on subjects they are asked to. I wouldn't even say it is a form of pressure."

Insulza Expresses 'Moderate Optimism' on NAFTA Talks

PY0710023995 Santiago EL MERCURIO in Spanish 30 Sep 95 p C2

[By Elia Simeone Ruiz, special correspondent in New York]

[FBIS Translated Excerpt] Foreign Minister Jose Miguel Insulza has expressed a moderate optimism concerning the "fast track" [preceding two words in English] issue, taking into account the objective of the U.S. trade representative to achieve an understanding, "because he has promised to discuss this matter in Congress." [passage omitted]

When asked about the strong impression prevailing in our country that the "fast track" issue is dead, Insulza said that in Santiago there are mistaken ideas on many things.

"I am not saying that this matter is something special and brilliant, but neither is it dead," Insulza said.

He added that disagreements in the United States do not affect Chile, nor that there is opposition to its entry into NAFTA.

From this perspective, he explained that the matter must be resolved by both sides, because, beyond the issue of Chile's entry into NAFTA, the United States must negotiate not only with our country, but with many others.

"We are very much concerned about the length of time that will be required to resolve this problem, and this is what we are trying to make understood; namely, that we are interested in the approval of this, and that for this reason, we would like the negotiations being carried out in Congress not to be delayed too long," he said.

According to Insulza, Chile must set a reasonable deadline, like 13 November, to wait for the development of

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the issue in the United States. This date refers to the postponement granted by Congress for the implementation of this year's budget, the initial implementation date of which falls due this Sunday, in order to be able to keep negotiating the new budget proposal for 1996.

Since the "fast track" issue has been included in the bill and it is quite unlikely that it will be discussed, the extension of the fiscal year to 13 November will also allow the parties to negotiate on this delegation of powers.

Insulza was cautious, however, not willing to say that such a date was some sort of a "fatal deadline" for an agreement on the "fast track" isssue.

"The processes are slow; the processes continue," he said, and on this basis, he made a call to prevent from prospering the idea that if no quick agreement is reached on trade negotiations with NAFTA, Mercosur [Common Market of the South], the European Union, and APEC [Asia Pacific Economic Cooperation], the country will fail. Let us allow foreign policy and international negotiations to act and the processes to proceed calmly," Insulza said.

When asked about his opinion after analyzing the "fast track" issue with high-ranking representatives of the White House, members of Congress, U.S. businessmen, and professors, the foreign minister said: "My overall impression is this: The most important thing is not only that no one has said anything against Chile, but that all felt compelled to express to me their support — including the businessmen and professors — for the negotiations concerning Chile's entry into NAFTA."

Chilean Ambassador Advocates Strengthened Trade Cooperation

BR0510134495 Paris LES ECHOS in French 5 Oct 95 p 4

[Unattributed report: "France-Chile: Differences Over Nuclear Policy Do Not Hinder Business Contacts"]

[FBIS Translated Text] Even though Chile has made it known loud and clear that it opposes French nuclear testing in the Pacific, business communities in both countries have preferred to ignore this disagreement by meeting at the start of the week in Paris, under the auspices of the National Council of French Employers.

Speaking "in the name of the Chilean Government," the Chilean ambassador to France spoke before several dozen French officials and called for a "reinforcement of the dialogue" between businessmen of the two countries without making an allusion to nuclear testing, even though the second in the series of tests had just taken place. As further proof that business continues, Christine Chauvet, France's state secretary for foreign trade, announced that she would undertake an official visit to Chile at the head of an employers' delegation "at the beginning of 1996."

Canadian Rapprochement Strategy For Latin America Viewed

PY0610173995 Santiago EL MERCURIO in Spanish 2 Oct 95 p C4

[Report by special correspondent Elia Simeone in New York]

[FBIS Translated Text] Canada and Latin American members of the Rio Group have agreed to strengthen their ties. This came after Canada proposed to the Rio Group the establishment of a permanent political consultation mechanism and the stepping up the economic-commercial exchange, and the strengthening of cooperation.

EL MERCURIO obtained this information from Juan Martabit, the Chilean Foreign Ministry director for Latin American Affairs, who said the Canadian Government showed and expressed great interest in tightening links with this region.

Martabit said that within the framework of the UN General Assembly, a meeting between Rio Group foreign ministers and Canadian Foreign Minister Andre Ouellet was held at the request of the Canadian Government. This is the second meeting the Rio Group has held with Canada.

Martabit said the meeting is the result of a clear and resolute Canadian policy of rapprochement with Latin America and the Caribbean, announced by Canadian Premier Jean Chretiene when he visited Chile in January. Martabit recalled: "Chretiene outlined a true project to link Canada with the countries of our hemisphere."

The Chilean representative also noted that Canada today is an important commercial partner for most Latin American countries and that in the case of Chile it is also a top investor, especially in the mining field.

He mentioned the importance of political relations between Canada and our region and, namely, political relations between the Canadian and Chilean Governments.

Martabit said: "Canada is a first rate political partner and, in Chile's case, has invited us to join NAFTA, presenting us to the rest of the hemisphere's community as the "fourth NAFTA friend."

The diplomat said that during the meeting between the Rio Group and Canada it became obvious that many

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believe the time has come to step up bilateral relations and work to fulfill the commitments assumed during the Miami Summit and to strengthen the OAS.

During the meeting between Ouellet and his Latin American counterparts, the Canadian Government expressed concern over Cuba, as did other foreign ministers who addressed the meeting later. It was agreed that efforts should be made for the full return of democracy to that island as well as the need to lift the commercial blockade that affects the Cuban people, so that Cuba may rejoin the Inter-American system.

During the meeting, and beside the speeches by the ministers before the UN General Assembly, the governments of the region voiced their unrest over the expansion of the commercial embargo on Cuba that seeks to punish enterprises that deal with the island.

This project is repudiated because it is a unilateral measure endorsed by some U.S. sectors and because it distorts international trade and seeks to impose extraterritorial sanctions which are neither recognized nor accepted by international law.

Other subjects discussed by Canada and the Rio Group included the bio-diversity convention and the best way to jointly fight problems like drug trafficking and corruption.

Martabit believes the interest shown by Canada, as well as that expressed by other regional nations and groups, have legitimized the Rio Group as the interlocutor of the Latin American countries.

Within the UN framework, the Rio Group foreign ministers and diplomats have met with their counterparts from the EU, Japan, Chile, the Asian nations that comprise the ASEAN group, Persian Gulf states, and members of the Community of Independent States (formerly the USSR).

Regarding the Rio Group's talks with Japan, Martabit said Japanese Foreign Minister Yohei Kono [title and name as published] agreed to work with Latin American countries toward getting the UN to decree an immediate moratorium on nuclear tests.

He said Kono praised the agreement reached in this city by the 30 countries that have signed the Tlatelolco Treaty and the 11 countries that signed the Rarotonga Treaty. These two treaties establish nuclear-free zones in Latin America and the Caribbean and in the South Pacific respectively.

Government Stresses Importance of Bariloche Summit

PY0910165695 Madrid EFE in Spanish 1520 GMT 9 Oct 95

[FBIS Translated Text] Santiago, 9 Oct (EFE) — Official sources reported today that the Chilean executive branch considers "essential" the dialogue that will be opened at the Fifth Ibero-American Summit of Heads of State and Government in the Argentine city of Bariloche on 16 and 17 October.

Chilean Foreign Minister Jose Miguel Insulza told EFE that the Chilean Government expects concrete results in the areas of education and Ibero—American cooperation, which he considered essential aspects of the summit. These goals also coincide with Chile's own internal priorities. He noted that the strengthening of education systems "is the first priority of our government."

According to the Chilean foreign minister, "the summit presents a unique opportunity for political and economic dialogue" on matters that "have affected the region in recent years."

Insulza stressed the two long private meetings "in which the chiefs of state and government will be able to discuss thoroughly and openly the recent problems related to democracy, drug trafficking, corruption, economic crisis, and international capital."

For Chile, according to other government sources, it is vitally important in Bariloche to achieve a commitment to a sustained and substantial increase in education expenditures. For this reason the government has decided to earmark 5 percent of the country's GDP for education, beginning in the year 2001.

Cuban Mayor Visits, Requests Support

PY0910205895 Santiago EL MERCURIO in Spanish 6 Oct 95 p C6

[By Eduardo Rodriguez]

[FBIS Translated Text] San Antonio — Raul Garcia Batista, mayor of the La Playa de La Habana municipality, Cuba, visited San Antonio yesterday. Garcia, who requested aid for his people, held meetings with his colleagues from San Antonio and Cartagena. He invited them to a meeting to be held on 7 October at the Cuban Embassy in Santiago, which will also be attended by mayors from San Joaquin, Estacion Central, and other municipal districts of the metropolitan region. The objective of this meeting is to study the possible signing of bilateral friendship and aid agreements. In exchange, Garcia Batista offered technical assistance in sports and

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health activities. He also requested Chilean communities to offer their support of solidarity to Cubans.

Agreement Signed With UK To Market Rayos Rocket

PY1010203595 Santiago EL MERCURIO in Spanish 5 Oct 95 p C5

[FBIS Translated Excerpt] The document creating "Famae [Army Ordnance] Ordnance Inc.," that will be in charge marketing the weapons was signed in London yesterday. Chilean Army Commander General Augusto Pinochet and the highest-ranking authorities of British Aerospace (BAe) were present at the ceremony.

This information was confirmed by Famae Director Brigadier General Luis Iracabal who, in statements to the media, said that Gen Pinochet's institutional trip to Great Britain was successful.

According to the agreement signed yesterday, the "Rayo" artillery rocket system — manufactured jointly by Famae and the BAe branch, the Royal Ordnance — may be sold abroad the same as other Chilean-made defense weapons, SAF [expansion unknown] submachine guns, and some conventional artillery systems.

According to some defense experts in Chile, the agreement signed with BAe is especially important, more so taking into account that this British firm only accepts this type of agreement for relevant military projects. [passage omitted]

Presidency of PECC Assumed; Objectives Discussed

PY1010160795 Santiago EL MERCURIO in Spanish 30 Sep 95 p B3

[Report by special envoy to Beijing, Marta Castillo]

[FBIS Translated Excerpt] "Chile is proud, honored, and very grateful for the confidence placed in us" stated Edgardo Boeninger on 29 September, as he assumed the presidency of the South Pacific Economic Cooperation Conference (PECC) during a dinner to mark the end of the 19th plenary of this regional organization in Beijing, PRC. [passage omitted]

Asked about the main objectives of his presidency, Boeninger said he will "try to enhance and make the PECC more effective in its capacity as a forum for discussing subjects related to liberalizing and expediting trade and investments, and inter-regional cooperation in Asia."

Another subject the former minister mentioned as a priority objective are improvements to the triple nature of the PECC which represents businessmen, the creativity of intellectuals, and the political guidelines established by public officials.

Regarding Chile's integration with other PECC member countries, Boeninger asserted that as Chile holds the presidency of this organization "it makes us more visible to other member countries, which will awaken their interest in our country."

Carabineros Director General Resigns

PY0910132695 Madrid EFE in Spanish 1910 GMT 7 Oct 95

[By Manuel Maria Meseguer]

[FBIS Translated Text] Santiago, 7 Oct (EFE) — Rodolfo Stange, director general of the Carabineros (Chilean militarized police), resigned on 7 October, a year and a half after President Eduardo Frei asked him for his resignation.

Despite the loss of government confidence, Stange remained in his post in a challenge that resulted in the first political crisis of Frei's cabinet and the resignation of socialist German Correa from the Interior Ministry.

The general shielded himself behind the current constitution, which was prepared by the military government of Augusto Pinochet and which allowed him to remain in his post until March 1998.

Despite the loss of government confidence and the obstacles which subsequently complicated the fulfillment of his job as director general, Stange maintained his challenge. But upon returning from an official trip to Egypt in February 1995, his resignation was negotiated.

"There are papers, and there are documents," President Frei said then to a group of reporters at La Moneda Palace.

Among his conditions, as director general of the Carabineros, Stange wanted to preside over the Second World Police Congress, which closed on 6 October. Less than 24 hours after the closing, he announced his "voluntary" resignation, effective 16 October.

In April 1994, Frei asked Gen. Stange to resign from the top police command for "ethical and moral" reasons, after having been accused by a civilian judge of inhibiting judicial investigations and of protecting the accused in the "beheaded Communists" case.

Judge Milton Juica, who was hearing the case, issued a ruling on 31 March 1994 that sentenced 15 Carabineros and a civilian for the murder of the communist leaders in 1985. The ruling established life imprisonment for three of the accused and sentences of up to 18 years in prison for 12 others, in addition to the civilian.

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Judge Juica also accused Gen. Stange and the top Carabineros commanders of that time of having obstructed the judicial investigations and protecting the accused. This accusation of "neglect of military duties" was downplayed by another civilian judge and by the martial court in a ruling issued on 20 July 1995.

The government's awkward situation at that time was the straw that broke the camel's back, prompting the first cabinet crisis with the September 1994 resignation of Interior Minister German Correa, who had suggested a tough government position against Stange.

Although he is considered under the constitution to be a "commander in chief" [generalisimo] of the Chilean Armed Forces, Frei has no power to remove the commanders in chief of the military branches from their posts until their organizational law, which grants them an effective counterbalance of power, is amended.

Of those who made up the military command during the dictatorship, only General Augusto Pinochet, almost 80, remains. He was the "de facto" president after the coup that defeated Socialist Salvador Allende in 1973 until March 1990, and since then he has remained head of the Army, a situation that could continue, if he wishes, until March 1998.

After Army month (August) and the month of the Armed Forces (September), which were loaded with civil-military tensions, October appears to Chileans to represent the conclusion of civilian attempts to give some sense to their democracy, considered an "overseen" democracy by wide sectors of the country.

Gen. Stange's resignation from his post as Carabineros director general will be followed by the transfer of retired General Manuel Contreras to the Punta Peuco special prison, presumably next week.

Contreras, all-powerful chief of the secret police under the previous military regime, said some months ago that he would not spend "a single day in prison" in serving his seven-year sentence for instigating the murder of former Foreign Minister Orlando Letelier in Washington on 21 September 1976.

Fernando Cordero Appointed Carabineros Director

PY0910232695 Madrid EFE in Spanish 2232 GMT 9 Oct 95

[FBIS Translated Text] Santiago, 9 Oct (EFE) — The Chilean Government today appointed General Fernando Cordero Rusque as the new Carabineros director general. He replaces General Rodolfo Stange, who resigned on 7 October.

The announcement was made by Carabineros Under Secretary Luciano Fouilloux, who read a brief communique and refused to answer any questions. Fouilloux read the communique after President Eduardo Frei held a meeting with Gen. Cordero at the La Moneda government house.

Cordero will assume his duties as Carabineros director general on 16 October but the change of command will take place on Saturday, 14 October.

Stange resigned 17 months after President Frei had requested his resignation in view of Judge Milton Juica's ruling which requested that Stange be indicted for having obstructed the investigation of the killing of three Communist leaders in 1985.

On 5 April 1994, Stange refused to resign on the basis of the 1980 Constitution, which states that the commanders of the Armed Forces branches cannot be removed, and allows him to hold the post of Carabineros director general until March 1998.

Brigadier Espinoza Lifts Fast After Two Days

PY0710023795 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 6 Oct 95

[Speakers identified by screen caption]

[FBIS Translated Text] Former Brigadier Pedro Espinoza yesterday lifted the fast he had been holding since 3 October at the Punta Peuco jail.

The former DINA [National Intelligence Directorate] officer said that he never intended to protest against the Army.

[Begin recording] [Unidentified reporter] Brig. Espinoza's fast lasted only two days. He ended his protest after talking with Claudio Martinez, the National Prison Police director.

One of the reasons why Espinoza decided to lift the fast is because this attitude would undermine his request for a presidential pardon which he submitted on 11 September. A fast would have had a negative impact on this request.

With this fast, Espinoza wanted to express his rejection of the joint surveillance system to be enforced by the National Prison Police and the military at the jail.

[Justice Minister Soledad Alvear] As the responsible authorities that we are, we will adopt all the pertinent measures with the objective of safeguarding security at a penal institution. As was discussed in Congress at the proper time, additional safety and security measures should be adopted in this penal institution because it

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will be housing individuals who held certain posts that call for special security conditions.

[Reporter] Espinoza explained that he never intended to protest against the state of law, much less the Army.

Army laywer Enrique Ibarra visited Espinoza, who was also seen by his lawyer. The latter said his client had adopted this attitude because of lack of information.

[Espinoza's lawyer, Jorge Balmaceda] I believe this was the result of a misunderstanding and perhaps the fact that he does not know some of the reasons that have compelled the government to adopt this decision.

[Reporter] After he lifted his fast and was seen by a physician, Espinoza returned to a normal diet. [end recording]

Army Clarifies Gen. Pinochet's Remarks on Gen. Garin

PY1010135895 Santiago LA TERCERA DE LA HORA in Spanish 28 Sep 95 p 14

[FBIS Translated Text] Through a communique released to the media, the Army Communications Department explained General Augusto Pinochet's remarks in Iquique to Radio "Bravissima" which were mistakenly reproduced by the Iquique newspaper LA ESTRELLA.

The text of the communique is as follows:

"1. In said interview, the Army commander in chief was asked about his successor, to which he answered that the president of the Republic has the power to choose from among five senior generals. When asked if General Garin was among those five senior generals, the Army commander textually said: 'But of course, General Garin is the first choice now,' [General Garin hace la uno ahora] which was mistakenly transcribed as follows: 'General Garin would not miss the chance' [no se le va una], thus changing the meaning of what the top Army commander said.

2. The above statement has been corrected by the newspaper LA ESTRELLA which clarified the issue after reviewing the recording of the interview."

Contreras To Begin Seven-Year Prison Sentence 23 Oct

PY1110001395 Madrid EFE in Spanish 2221 GMT 10 Oct 95

[FBIS Translated Text] Santiago, 10 Oct (EFE) — The Chilean Supreme Court today unanimously ruled that General Manuel Contreras be transferred to jail on 23 October to serve a seven-year prison sentence. Contreras is the former chief of the military regime secret police.

The Supreme Court ruling ends the refuge that the once powerful military chief has sought at the Talcahuano Naval Hospital. Contreras was sentenced for the killing of former Chilean Foreign Minister Orlando Letelier. He is to serve his sentence at the Punta Peuco Prison, 40 km north of Santiago.

The ruling issued by the Third Chamber of the Supreme Court was issued minutes after the Appellate Court had declared "inadmissible" the request that Contreras' laywers had submitted to disqualify Supreme Court member Eugenio Velasco. The Appellate Court rejected the request on the grounds that it was submitted after the due date.

Thus the Supreme Court ruling rejected the last of a series of legal recourses that the defense of the former chief of the defunct National Intelligence Directorate (DINA) has resorted to since the Supreme Court sentenced him on 31 May.

After five months of civilian-military tensions, characterized by implicit threats by the military and rumors of resignations of civilian officials, the new court ruling seems to definitely be putting Gen. Contreras in jail. Contreras had challenged the courts by stating that he would never go to jail.

Rightists Seek Compensation for Grapes Case Victims

PY1010155895 Santiago EL MERCURIO in Spanish 6 Oct 95 p C4

[FBIS Translated Excerpt] Valparaiso — Senators Sergio Romero (RN [National Renewal Party]) and Hernan Larrain (UDI [Independent Democratic Union]) yesterday asked the government to resume actions to reactivate the Bryan Commission. They want it to seek, through other means, compensation for the fruit growers and exporters for the damaged as a result of the embargo on Chilean grapes in 1989.

A U.S. Supreme Court ruling rejected the demand by Chilean fruit growers and exporters affected by the U.S. embargo.

Larrain said the ruling was "severe and wicked and we cannot remain indifferent to it." [passage omitted]

Larrain believes the government must act rather than remain indifferent. He directly asked Foreign Minister Jose Miguel Insulza to reactivate the commission so that it can seek, through other means, compensation for fruit growers and exporters, and for the Chilean state in general, for damages to the country as a result of the measures adopted by the United States in 1989.

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He concluded: "Chile must act firmly to seek justice. It is now the government's responsibility."

Senator Sergio Romero said the legal and diplomatic channels used so far have not yielded the expected results. Chilean producers affected by the embargo decreed by the U.S. Government in March 1989 have still not obtained any compensation.

He said Washington has given clear signs of its strong political will to not pay what the Chilean producers demand, that is, $210 million. It has blocked every alternative suggested so far, both those of a legal or diplomatic nature.

Romero concluded that now all other channels have been exhausted it is necessary to resort to a neutral organization like the Bryan-Suarez-Mujica Commission that was used in the Letelier case to determine the amount the Chilean Government had to pay the family of the former foreign minister. Therefore, this commission must be summoned unilaterally by Chile as is established in Article No. 3 of the Treaty for the Peaceful Solution of Controversies signed by Chile and the United States on 14 July 1914 in Washington.

Colombia

DAS Captures Cuban Accused of Attack on DEA Agents

PA0710173595 Madrid EFE in Spanish 1629 GMT 7 Oct 95

[FBIS Translated Text] Cartagena (Colombia), 7 Oct — Cuban national Rene Benitez, accused of participating in an attack on DEA agents, was captured in Cartagena (north) on 6 October, the Administrative Department of Security (DAS) disclosed today.

DAS sources stated that Benitez, who fled a U.S. prison last January, is wanted by a court of justice for an attempt against DEA agents in Washington in November 1994.

The fugitive remains under arrest at a local precinct awaiting the decision of his possible deportation to the United States, the sources added.

Foreign Minister on Relations With U.S.

PA1010210095 Santa Fe de Bogota EL TIEMPO in Spanish 7 Oct 95 p 11A

[FBIS Translated Text] The Colombian Government has admitted there is an alarming deterioration in its relations with the United States but cautioned that this is a result of misunderstandings and in some cases it has been provoked by ill-intentioned reports.

Foreign Minister Rodrigo Pardo Garcia-Pena said last night in Hamburg, Germany, that the executive branch can prove that the situation is entirely artificial and that in no case it speaks of a Colombian disposition contrary to the good diplomatic ties that have traditionally united Colombia and the United States.

Pardo mentioned four specific cases that in his opinion represent misreadings. In first place he said that it is not true that Ambassador Myles Frechette has been withdrawn from Santa Fe de Bogota but that he himself announced three months ago that he would leave and he is currently on vacation in France.

Pardo said that neither is it true that there is a bill on Andean preferences, as international news agencies have mistakenly reported. "There is no relation either between the current situation and the fact that Colombia will preside over the Nonaligned Movement summit in Cartagena. This is completely absurd," the minister said.

Minister Pardo said that neither is it correct to attribute to the Colombia state any responsibility for the nonchalant statement by Congressman Carlos Alonso Lucio about an alleged DEA plot against his government.

The foreign minister said these are statements issued by a congressman and in no case by the Colombian Government. He said: "To think the opposite would be same as saying that Colombia can blame the White House for the caustic remarks against Colombia that are often heard in the U.S. Congress."

The minister also commented on media reports that the United States is taking reprisals and has decided to restrict visas. "This is false and there is no reason for this to happen," he affirmed.

Minister Pardo said that he can affirm that there are no fundamental differences between the two governments and trusted that any rough situation will soon be overcome.

When a newsman asked him why the United States has suspended the exchange of legal evidence, Pardo recalled that this has been happening since March 1993 and that legal cooperation functions since then on legal processes that had been initiated before that date.

Pardo said that there will be no official statement to the strong answer issued Thursday by the State Department. He said that if desired, the Colombian response is the communique issued by the Justice Ministry announcing that the Office of the Prosecutor General and the National Police will investigate the origin of the tapping on DEA communications because this is "illegal and unacceptable.

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Court Decides Accusations Committee Can Investigate Samper

PA1110003795 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 11 Oct 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] The scope of the Chamber of Representatives' Accusations Committee regarding the investigations on President Ernesto Samper was finally defined. The Constitutional Court decided, although it has not made it public yet, that Representative Heyne Mogollon can indeed investigate the president, as he was doing. This decision was made when the magistrates ruled that Santiago Medina, former Samper presidential campaign's treasurer, must testify before Mogollon. However, Medina will have the right to remain silent if he believes that any answer may adversely affect his right to defend himself.

Samper in Spain: Plans To Serve Full Term

LD0710164095 Madrid RNE-1 Radio Network in Spanish 1600 GMT 7 Oct 95

[FBIS Translated Text] In Madrid, where he was making a stopover on his way back to his country from Germany, Colombian President Ernesto Samper today repeated that he will remain in his post until his term of office ends on 7 August 1998 despite the opposition calls for his resignation.

[Begin Samper recording] I will not resign unless my friends ask me to, not my enemies. No, no, not until 7 August 1998, which is when the constitutional term actually ends. [end recording]

Armed Forces Commander Zuniga Denies Coup Possibilities

PA1110020195 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 11 Oct 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] The military armed forces commander general spoke out and categorically denied the likelihood of a coup d'etat in Colombia.

[Begin recording] [General Hernando Camilo Zuniga, identified by caption] I do not know where the rumors come from. They are coming from nowhere.

[Unidentified reporter] Is Gen. Bedoya not a sort of spokesman for the...

[Zuniga, interrupting] I do not know; I do not know; I do not know. The truth is that, inside the military forces, we have more united and more disciplined forces, which are also more aware of their mission. Never. You can allege we are doing everything but politics. I repeat — and you have clearly seen it — that we have very disciplined military forces, which are very much aware of their mission. This is what you find; this is what you see. [end recording]

Samper Letter Responds to National Union Council

PA1010152995 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2231 GMT 9 Oct 95

[Report by Gilbert Vega from the Narino Government Palace in Santa Fe de Bogota]

[FBIS Translated Text] [Vega] Yes, Edgar, here I am again from the Narino Government Palace. Here is a letter of response from President Ernesto Samper to the unions, and more specifically, to the National Union Council:

I regret that my recent visit to Germany prevented me, as I am doing now, from responding to your recent letter in which you expressed proposals regarding the difficult fiscal situation the country will face in the coming years.

I am pleased to agree with you in the necessity of perfecting the system that today regulates the imbalances in the regime of transference of resources and responsibilities to the territorial entities. I also agree with you on the importance that you attribute to the control of the increasing tax evasion and the unpostponable task of specifying urgent reforms to ensure the modernization of the state and its transparent operation. I don't understand, however, your disagreement that the tax reform, which is currently being studied by the Congress, can secure necessary resources to finance the development plan which you supported in the National Planning Council.

Without a determined action in all these three fronts — the tax evasion, rationalization of transferences, and adequate levels of tax revenue — the fiscal crisis you anticipate would come sooner than later. A situation of imbalance, which would exist if substantial progress is not achieved in the aforementioned aspects, could lead us in the immediate future to cuts in social programs, equipping and defense of security, and construction of necessary infrastructural projects for a sum close to $200 million.

Another topic of concern has drawn your attention in the past few days. It refers to the state of our relations with the United States, the letter by President Ernesto Samper adds. For Colombia its relations with the United States are, of course, fundamental. In relations involving matters as complex as the struggle against narcotrafficking or the protection of human rights it is not strange

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that differences of opinion should arise, such as those which we lived in the past weeks, or the most acute ones we tolerated when the U.S. Congress was debating the subject of the certification of Colombian conduct in matters of the antidrug control struggle. What happens is that frequently situations that have diverse origin are confused, as occurred last week with the topic of banana and an alleged threat to eliminate Colombia's tariff preferences, which it receives in recognition of its struggle against narcotrafficking. You know very well that the Colombian Government has made a defense of the necessity that there should be a free market regime for Colombian bananas in Europe. I reiterated this desire during my visit to Germany. In view of the impossibility of obtaining this regime, we had to accept an agreement of quotas, which reduces in half the historic average of our participation in the European market. Could we have done otherwise? I don't think so. We will continue to defend our free access to Europe and American preferences, as we have done with flowers every year, without condemning other Colombian producers to being banned from their markets. I must add with sincere cordiality, that I am also concerned by the tone of your recent statements. Union concerns should be discussed in terms of mutual respect, between the government and the legitimate spokespersons of the interests of the productive sectors. This is what we have agreed upon with you in the framework of the social pact and the agreements of competitiveness. But from there to [word indistinct] the dangerous thesis that, as a result of the political crisis, an economic crisis is emerging, there is a lot of ground. First, because as you well know — and this was reiterated last week during the summit of powers — we are going through a political crisis within the institutional problems. Also, our democracy permits judges to assess, prosecutors to investigate, and the government to govern. To do otherwise, transferring the political debate to the level of procedural cases, would seriously disrupt the balance of our institutions. It would infringe the right of defense of such persons and would constrain the truth we are seeking. Also, you, better than anyone, know the figures on the economic evolution and know perfectly well that, with difficulties the government is aware of, the productive evolution is positive and renowned internationally. This is attested to by the growth figures of the first semester, the curb in inflation, reduction in the rates of unemployment, exportation figures in the wake of the reevaluation, the union estimates of an agricultural recovery for this year, and registrations of increases of foreign investment in 1995. Among a few of our achievements this year are the expansion of subsidized health, qualitative improvement of education, generation of over 150,000 new jobs, and production of subsidies for housing equivalent in one year to those channeled during the previous four years. On concluding the letter, President Samper states: I don't find any sense to it that while international media are highlighting our economic achievements and foreign investors are making quantitative investments in Colombia, as occurred last week in Great Britain and Germany, the spokespersons of the Colombian businessmen should be the ones who are sowing doubts about prospects, which I repeat, are [words indistinct]. I beg you to receive my observations as a productive contribution to the healthy debate on the future of our economy, the letter of response by President Ernesto Samper Pizano concludes.

Samper Praises Zedillo, Rejects CAMBIO 16's Report

PA1010210695 Mexico City NOTIMEX in Spanish 1855 GMT 10 Oct 95

[FBIS Translated Text] Santa Fe de Bogota, 10 Oct (NOTIMEX) — After accusing the drug cartels of attempting to "stigmatize and satanize" Mexican President Ernesto Zedillo, Colombian President Ernesto Samper praised Zedillo's "personal and moral accomplishments."

In an act of government, Samper said: "The Mexican president is a person of irreproachable personal and moral accomplishments who is leading in his country a crusade of all mankind against drugs, just as we are doing in Colombia."

Samper referred to a report carried by the Colombian magazine CAMBIO 16, which quoted remarks reportedly made by Cali Cartel treasurer Guillermo Pallomari on the use of funds in Zedillo's electoral campaign last year.

Zedillo, who is in Washington on an official visit, described CAMBIO 16's report as "absolutely untrue" and said he will take legal action against the publication, which carried the report last week.

Samper Warning: Drug Trafficking Still Exists

PA1110010095 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 11 Oct 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] A mini-summit attended by the top government officials leading the Colombian antidrug program was held on 10 October at Narino Palace. President Ernesto Samper launched a plan that has new goals.

[Unidentified reporter] On 10 October, President Samper warned that the drug trafficking threat has not ceased

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to exist in Colombia and Latin America. He spoke at the summit held to launch the national drug plan:

[Begin Samper recording] The cartels will continue their destabilizing activities, trying to smear [estigmatizar] good citizens and satanize their enemies, as they did this week by slandering such people as the Mexican president, who is a person of irreproachable personal and moral experience. [end recording]

Samper talked about the positive results obtained in, among others things, the eradication of illegal crops, the fight against drug cartels, and legal cooperation.

Pro-Peace Leader Kidnapped, Slain

PA0610192395 Madrid EFE in Spanish 2034 GMT 5 Oct 95

[FBIS Translated Text] Valledupar (Colombia), 5 Oct (EFE) — Authorities have reported that Alvaro Pallares Ropero, the promoter of the first popular peace vote in a Colombian town, was slain today.

Pallares Ropero was manager of the public services office in Aguachica, Cesar Department, located along the northern coast of Colombia.

Ropero's co-workers said 17 armed men entered the office and kidnapped him after he was identified. Shortly afterward, authorities found his bullet-ridden body.

Pallares Ropero was considered an active civilian and political leader in Aguachica, the first Colombian town to demand peace in the region through a popular consultation, which was held in August.

Authorities have no clues as to who the murderers are yet, although intense military and police patrols are being conducted throughout the urban sector of Aguachica and rural areas.

Guerrillas Kill Former Governor of Cesar Department

PA0810133595 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 8 Oct 95

[Report by Edgar Fontalvo from "Caracol Latest News" newscast]

[FBIS Translated Text] The murder of Armando Maestre Paballon, former governor of Cesar Department who was gunned down by machine-gun fire from guerrilla members while commuting on a department road, came as a tremendous shock.

The former governor's driver, (Ebert Jimenez), was wounded during the criminal attack, which has been attributed so far to members of the Army of National Liberation [ELN].

Maestre Paballon was married to Gloria Cuellar Vargas, sister of parliamentarian Alfredo Cuellar, who was also a member of the Liberal Party and occupied the office of governor in 1981 after having been elected as an alternate for Senator Jose Guillermo Castro.

Maestre Paballon, 58, was employed as a regional manager of Banco Ganadero's branch in Cesar Department. He is survived by his children Adela, Gloria, Delfina, Armando, Dario, and Maria Clara.

Armando Maestre Paballon had been abducted two years ago by another guerrilla group operating in the region that demanded a heavy ransom for his release, which came about 17 days after the kidnapping.

FARC Said Responsible for Car Bomb Attack

PA0810150995 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 8 Oct 95

[From the "AM/PM Newscast"]

[FBIS Translated Text] According to preliminary investigations conducted by the Army, the Manuel C. P. Ulloa Group, an urban front of the FARC [Revolutionary Armed Forces of Colombia], is responsible for last night's bomb attack in Valle del Cauca Department in which eight people were injured. This group began intimidating certain local businessmen several months ago. This intimidation peaked three weeks ago when a number of posters ordered councilmen, politicians and residents of Yumbo to leave their town.

[Begin Army Commander General Harold Bedoya recording] We have preliminary reports that this is a subversive act. We are identifying the perpetrators. [end recording]

The subversive front, following public accusations of their threats, announced the unleashing of a number of terrorist acts, of which last night's car bomb could be the beginning of retaliations.

Commander Confirms Attack on Police, Search Bloc Facilities

PA1110043195 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0332 GMT 11 Oct 95

[Report by Samuel Galil and Alvaro Guell Mina in Cali — live]

[FBIS Translated Text] [Galil] The information we have deals with the peace that currently prevails in the capital of Valle del Cauca Department. We have to clarify certain things.

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The guerrilla forces did not lay siege to Cali, only to a Police facility — the Search Bloc Command Post and the Carabineros Police Post southwest of the capital of Valle del Cauca Department. We now contact Colonel Luis Bernardo Maldonado, commander of the Cali Metropolitan Police. Colonel, everything is under control at 2232?

[Maldonado] Yes. I want to tell the citizenry the situation is under control at this hour. The harassment against the Carabineros Police Post occurred at 2000. Fortunately, our men have remained alert and this allowed our men to reject the harassment and prevent casualties.

[Galil] Initially there was concern, given the statements given by Cali Mayor Mauricio Guzman. He said the Police and Army reaction was delayed and the reinforcements would not arrive on time. You have clarified the situation by saying the reinforcements arrived on time from the 5th Police Station, which is located close to the Carabineros Police Post. Can you explain this, Colonel?

[Maldonado] Yes, the mayor was probably misinformed. I have already contacted him and told him what was the actual situation at the site. The reaction was immediate and that is why the criminals' goal was not achieved, given our personnel's reaction and degree of readiness.

[Galil] How long did the harassment last, meaning the guerrilla attack with rockets? How long did the guerrilla group's control last?

[Maldonado] The harassment lasted approximately 30 minutes. The reinforcements acted in a timely manner. Logically, every security measure had to be adopted for their deployment, to prevent any ambush by the subversives.

[Galil] What has been done about the burned vehicles, Colonel? What about the vehicles burned close to the site? The guerrilla attack was carried out from various fronts and you have confirmed it involved the Manuel Zepeda Vargas Front of the FARC [Revolutionary Armed Forces of Colombia], the same one that attacked military facilities in Yumbo with a car bomb. What is the final toll regarding the burning of vehicles on the Cristo Rey Avenue?

[Maldonado] Well, on the Cristo Rey Avenue, hello?

[Galil] Yes, colonel, we can hear you.

[Maldonado] Throw out your cellular phone's battery. Hello?

[Galil] We can hear you, Colonel. We can hear you.

[Maldonado] We have information that these individuals set up a road block on the road and forced three vehicles — passengers in three vehicles — to get out and then they burned the vehicles.

[Galil] Privately owned vehicles, Colonel?

[Maldonado] They are privately owned vehicles.

[Galil] No civilians were injured?

[Maldonado] No civilians, policemen, or Public Force members were injured.

[Guell] Colonel, one of the persons whose car was burned initially told us that the guerrilla leaders included a woman who looked like the one who was photographed and publicly revealed due to her participation in Uraba. Have you been able to confirm this?

[Galil] We are in contact with Col. Luis Bernardo Maldonado, Cali Metropolitan Police commander. He has confirmed the attack lasted 30 minutes and that no casualties have occurred in the Police Post or the Search Bloc Command Post in Cali. Three vehicles were burned by the guerrilla fighters but everything is under control at this hour. No civilians were injured although it is recommended that no one approach the area. The FARC's Manuel Zepeda Vargas Front, the same one which attacked the military post in Yumbo with a car bomb.

National Police Director General Rosso Jose Serrano has confirmed an alliance between the guerrilla groups and [Helmer] Pacho Herrera, the last Cali Cartel leader who has resisted the search operations in valle del Cauca Department. He said the confirmation of this alliance is between Timba and Jamundi, where the civilian population is being killed by these persons, who have comprised an alliance between the guerrilla groups and the Cali Cartel.

Roundup of Colombian Economic Developments

PA1010212095

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Colombia monitored through 10 October.

According to the National Association of Financial Institutions, Anif, Colombia's economy faces four risks: low growth, uncontrolled inflation, a possible devaluation, and increased public spending. The Anif says that if these four variables are not controlled the economy might simultaneously face a recession and inflation. The Anif offers no definite solutions but it has made clear that there are reasons for concern. The organization suggests "dodging the fiscal situation with domestic debts

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while the government resolves the problem of transferences to the municipalities." (Santa Fe de Bogota EL TIEMPO in Spanish 29 Sep 95 p 1D)

The cost of living has continued dropping because certain crops have been good and have allowed a lowering of food prices. In September the average price adjustment for the family basket was 0.84 percent, and cumulative inflation during the first nine months of the year now stands at 16.4 percent. According to the National Administrative Department of Statistics, DANE, 16.4 percent is the lowest the country has seen during the January-September period in the past nine years. (Santa Fe de Bogota EL TIEMPO in Spanish 3 Oct 95 pp 8B, 9B)

Five multinational firms — three North American, one Australian, and one Colombian — will sign partnership contracts with Colombian Petroleum Enterprise, Ecopetrol. The new contracts reflect changes in the government's oil policy, which seeks to encourage private firms to join in the search for oil. Two of the contracts have already been signed and the rest are being negotiated under the new conditions. With these agreements, private firms will be investing almost $50 million in the next two years. The five new contracts will raise to 16 the number of contracts signed this year, the highest number recorded in the past three years. (Santa Fe de Bogota EL TIEMPO in Spanish 4 Oct 95 pp 1A, 5B)

According to a Santa Fe de Bogota, 5 October datelined item, the Colombian Foreign Ministry has issued a document on Colombia's relations with the rest of the world and with countries in the Nonaligned Movement, which is promoting South-South cooperation. According to the document, in 1994 Colombia increased its bilateral trade with various South and Central American countries including Panama, and these excellent trade relations could lead to increased regional integration and trade with other underdeveloped areas. (Havana PRENSA LATINA in Spanish 0258 GMT 6 Oct 95)

According to a Santa Fe de Bogota, 7 October datelined item, Ecopetrol President Luis Florez Enciso said that Colombia's crude and gas reserves have surpassed the government's investment capabilities and that it is necessary for the private sector to participate in oil exploration. Florez said that an investment of $50 billion is necessary to explore and exploit new oil fields believed to contain 15 billion barrels of crude, and that in 1996 Ecopetrol will allot $1.290 billion to the Cusiana oil deposits, from which 250,000 barrels of crude are extracted daily. Colombia currently has 80,000 hectares of exploration areas and there is a 17 percent possibility of finding crude in each well that is drilled. (Madrid EFE in Spanish 2027 GMT 7 Oct 95)

It is said that by the end of the year 2000 Colombia will go from being a coffee producing country to a powerful coal producing country thanks to the Jagua de Ibirico coal deposits. At present Colombia is exporting 12 million tons of coal yearly, but it is expected that prior to the year 2000 it will be exporting 30 million tons, which will make it the third largest producer of coal worldwide behind Austrial and South Africa. (Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 9 Oct 95)

Ecuador

Minister of Government Resigns for 'Political' Reasons

PY1010224695 Madrid EFE in Spanish 2025 GMT 10 Oct 95

[FBIS Translated Text] Quito, 10 Oct (EFE) — The resignation of Abraham Romero, the Ecuadoran minister of government, confirms the cabinet crisis that President Sixto Duran-Ballen, leader of the Conservative Party of National Unity [PCUN], is facing after the political and penal trials against Vice President Alberto Dahik.

Romero today informed the media: "I have tendered my resignation." He added that this is an "irrevocable" decision and that the president has already accepted it.

Speaking about the reasons for his resignation, Romero said that "they are strictly political reasons, and not personal." He said that "the president is aware of them" and that "I specify them in my resignation." He declined to give more details in this regard and asserted that "I will not discuss this issue again."

People questioned Romero, who was appointed to the cabinet nine months ago, for the manner in which the police handled the search and arrest of those indicted in connection with the criminal trial that the Supreme Court is conducting against Dahik for the alleged embezzlement of discretionary funds allocated to the vice president's office.

Three of the four indicted in the process and against whom a warrant for preventive detention was issued — Mario Crespo and Gladys Merchan, the vice president's private secretaries; and former foreign minister Diego Paredes — are at large.

According to Juan Jose Castello, chairman of the Congressional Overriding Committee, Romero was summoned by the committee, which he was supposed to attend tomorrow, "to answer for his ineptitude" in implementing "the warrants for detention issued in Ecuador."

Castello, a Democratic People's Movement (MPD) deputy, regretted that Romero "tendered his resignation"

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when "he had to answer for many issues which would have caused his downfall at any time."

This resignation seems to confirm the existence of a cabinet crisis. For the time being, however, Vice President Dahik has refused to tender his resignation as was requested by President Duran-Ballen on 29 September.

Duran-Ballen's resignation request caused a counter reaction within the board of the ruling PCUN, and among the members of the economic front, which are posts filled by Dahik's closest aides with the objective of implementing his neoliberal program to modernize and restructure the Ecuadoran economy.

Jose Vicente Maldonado, the industry and commerce minister, tendered his resignation last week but Duran-Ballen refused to accept it in an effort to avoid any signs of instability which would have a serious impact on the economy.

Dahik, whom Congress acquitted last week from a motion of censure on charges of bribery and serious violations of national honor, returned to the vice president's office today to resume his duties.

Peru

Li Peng Visit Marks 'New Era' in Relations With PRC

PY1010205695 Madrid EFE in Spanish 1718 GMT 10 Oct 95

[FBIS Translated Text] Lima, 10 Oct (EFE) — Chinese Premier Li Peng was distinguished with the highest Peruvian decoration, the Order of the Sun, during an official visit to Peru which, according to experts, marks the start of a new era in Sino-Peruvian ties.

Peruvian President Alberto Fujimori last night awarded the decoration to Li Peng during an official ceremony that was attended by top-ranking Peruvian officials. The ceremony was held at the presidential palace, where a dinner was also hosted in honor of the visiting dignitary.

Thanking Peru for the distinction, Premier Li Peng said that his presence in Peru seeks "to reinforce ties at the highest levels, increase reciprocal awareness, promote friendship, expand cooperation for the mutual benefit of the two countries, and promote ties at all levels."

This morning, Li Peng placed a wreath at the foot of the monument of the forefathers of Peruvian independence in a Lima park. He also held his first working meeting with President Fujimori at the presidential palace.

According to Li Peng's schedule, he and Fujimori will later go to government house to attend the signing ceremony of bilateral cooperation agreements which encompass Chinese credits of $150 million.

Li Peng is not scheduled to hold any news conference.

In his last scheduled activity of the day, the Chinese Premier today will attend a reception hosted in his honor by the Chinese Embassy at the Sheraton Hotel in Lima.

Peruvian experts have stated that the Chinese leader's visit confirms the interest that the two nations have expressed to strengthen their ties.

Peruvian officials believe that Chinese economic reforms seek to transform China into the leading world economic power of the 21st century and see China as the largest future market for Peruvian exports.

The development of Sino-Peruvian ties are also important because of the Peruvian Government's plan to make Peru the door of Asian- South American trade in view of its location on the central Pacific coast of South America.

To this effect, Peru has promoted the construction of a full communications system which is under way, comprising highways and waterways linking Peru, Bolivia and Paraguay, and which is being built in conjunction with the latter.

Through this system, merchandise from Bolivia, Argentina, Brazil, Paraguay, and Uruguay will be transported through the Peruvian ports on the Pacific to Asia; and vice versa, imports from the Asian continent will also enter through these ports.

On 11 October, Li Peng, Chinese cabinet members, and businessmen who comprise his entourage are scheduled to attend a working breakfast with Peruvian investors. At the breakfast they will discuss economic changes implemented in China and opportunities for eventual Sino-Peruvian commercial transactions.

Peruvian Foreign Minister Francisco Tudela is also scheduled to attend the working breakfast.

Forty Percent of Budget Earmarked To Fight Poverty

PY1010230895 Lima LA REPUBLICA in Spanish 23 Sep 95 p 2

[FBIS Translated Excerpt] Economy and Finance Minister Jorge Camet last night announced before the unicameral congressional plenum that next year the government will earmark 40.4 percent of the national budget for the antipoverty campaign.

Camet said that the 1996 national budget proposal has increased to 22.262 billion new soles.

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Defending the national budget proposal for next year, Camet, who was accompanied by Dante Cordova, president of the Council of Ministers and minister of education, said that 40.4 percent of the budget which will be earmarked for the head-on fight against poverty will amount to some 8.993 billion new soles.

He explained that that figure, included in the "social expenditure" item, will be invested among other things, in health programs, basic sanitation programs in rural areas, milk program for children, highway infrastructure, antidrug and antiterrorist fight, probable diseases, and in maintaining schools.

Camet said that if fiscal austerity is maintained, the 1996 annual inflation rate will be close to 8.9 percent.

He said that the exchange rate estimated for the coming year will be approximately 2.40 new soles per dollar.

He said that according to official estimates, the 1996 export level is estimated at approximately $5.7 billion, while imports will rise to $7.7 billion, especially of components and capital goods, without any precedent in the country.

Cordova said that in the budget proposal the government has given priority attention "to the health programs and infrastructure programs for social development."

Camet added that according to the proposal, some $2.734 billion will be earmarked in 1996 for the payment of the foreign debt, especially to the Paris Club, ALADI [Latin American Integration Association], and to Latin American countries, which will be paid for capital and interests. [passage omitted]

Uruguay

New Tax System for Agricultural Sector Announced

PY1010222695 Montevideo EL OBSERVADOR in Spanish 18 Sep 95 Special Supplement p 2

[FBIS Translated Text] Once the Budget Law is enacted, the agricultural sector will have a new tax system in which the value of the land to determine the wealth tax, the Imagro [Tax on Farming Activities], the Tax on Primary School, and the tax on small-scale agricultural enterprises are eliminated. This new system provides for the generalization of the income tax and the creation of a "minor" levy on the sales tax [ventas finales] of all agricultural and livestock products. This was made public by Agriculture and Fishing Minister Carlos Gasparri during the closing ceremony of the 90th El Prado International Cattlemen's Fair, in which President Julio Maria Sanguinetti participated, accompanied by Vice President Hugo Batalla, numerous congressmen, and government officials.

In the course of a speech delivered in a measured tone of voice, Gasparri reviewed — among other subjects pertaining to the plight in which the agricultural sector finds itself — the main changes to be made to the tax system, arguing that they seek to define a tax system based on income rather than on land tenure.

Sales Tax

With regard to the creation of the sales tax, Gasparri said that "this is a long-standing aspiration come true — everybody pays taxes so that everybody pays fewer taxes." The agriculture and fishing minister announced that the assessment of the value of properties will be made according to an objective index. This value will be the basis for estimating the value of personal and livestock property, which will be established at 40 percent. According to the minister, the burden of taxation is shifted from the taxpayer to the agro business. The tax rate is to be unified at 1.5 percent, which will be levied on the company's net equity, thus eliminating progressive taxes.

Government Names State Bank, Enterprise Directors

PY1010171195 Montevideo BUSQUEDA in Spanish 14 Sep 95 p 7

[FBIS Translated Excerpt] Julio Maria Sanguinetti's government has finally filled the boards of directors of state banks and enterprises following the submission to Congress of lists of names of directors for six public enterprises, the Mortgage Bank of Uruguay (BHU), the National Development Corporation (CND), and the National Colonization Institute (INC). [passage omitted]

BHU: Salomon Noachas (president-FB [Foro Batllista [faction of the Colorado Party]); Norberto Sanguinetti (FB); Jorge Conde (BR) [Radical Batlleist Faction of the Colorado Party]; Nestor Moreira Grana (H) [Herreraist Sector of the Blanco Party]; and Jorge Sacchi (CHW) [Herrera-Wilsonist Confluence of the Blanco Party]. [passage omitted]

BCU [Uruguayan Central Bank]: Ricardo Pascale (president-FB); Humberto Capote (FB); and Mario Buchelli (MO) [Down to Work faction of the Blanco Party].

BROU [Bank of the Oriental Republic of Uruguay]: Cesar Rodriguez Battle (president-BR); Julio Iglesias (FB); Dante Buonomo (C94 [Crusade 94 faction of the Colorado Party]); Pablo Garcia Pintos (H); and Carlos Barbe (CHW). [passage omitted]

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Venezuela

University Groups Stage Riots; Interior Minister Comments

PA1110041895 Caracas Venezolana de Television Network in Spanish 0200 GMT 11 Oct 95

[Report by Melisa Soto, Fernando Porte, and Pedro Prado; all speakers identified by caption; passages within quotation marks recorded; from "The News" newscast]

[FBIS Translated Text] What was intended to be a major peaceful national march in search of a fair budget for the country's universities has ended in violence. Major demonstrations, burned vehicles, and several people arrested and injured were the final results of the student march.

[Soto] Approximately 10,000 people, including workers, employees, teachers, and students, who represent the country's many universities, started marching at 1100 from Rectorado Square.

"Basically, what do you expect to achieve with this march?

[Leonardo Molina, Venezuelan University Student Front, FEUV, president] "We expect to tell the government and the country that we university students are tired of being denied a fair budget and of their failing to meet the fair demands labor and students sectors make."

[Humberto Mendoza, Venezuelan Federation of Associations of University Professors, FAPUV, president] "We hope the government will allocate to university students and the country the same amount of money it allocated to bankers and a minority of the Venezuelan economy."

[Simon Munoz, Central University of Venezuela, UCV, rector] "We hope that the national government changes its attitude and makes acceptable offers to universities to pay the large debts they owe."

[Libertador Municipality Mayor Maria Cristina Iglesias] "We believe the country's problems can be resolved by publicly debating them, not by hiding behind a mask."

[Soto] Even though there was tension during the march, all seemed to evolve normally until the crowd arrived at Congress.

Despite the demonstrations, some members of the university community were able to enter Congress. Porte has details of the meeting union representatives and legislative authorities held:

[Porte] Confusion reigned at Congress. From the areas adjacent to the parliament, the demonstrators started throwing blunt objects and rocks. Inside, disorder and [words indistinct] prompted a stampede of employees and workers.

This was the aspect of [words indistinct] the National Guard, along with Metropolitan Police agents, brought the situation under control.

[Metropolitan Police officer Henry Vivas] "Our helicopters and our staff are patrolling all downtown Caracas streets to firmly determine the damage caused in this area."

[National Congress President Eduardo Gomez Tamayo] "We will wait and listen to the proposals the representatives of the demonstrations have. Once we listened to them, we will be able to give an opinion."

[Porte] Everything happened when the conditions for a favorable agreement between the student sector and the executive and legislative branches had been given.

[Education Minister Antonio Luis Cardenas] "I have used very strong words to describe the state of Venezuelan education. We are making great efforts to get it out of the situation in which it is immersed, but it is not easy."

[Education Commission President Pablo Gonzalez] "It will not be easy if strikes and walkouts are the responses, which adversely affect poorer children. In this regard, we will work to have the 1996 budget make Venezuelan education what the government has been saying all along: a national priority."

[Porte] Once the chaos was controlled, the commissions of the student federations and all the representatives of the sectors submitted to the National Congress' Bicameral Education Commission and to Parliament President Eduardo Gomez a document urging these parties to end the deficit of the higher education system.

Meanwhile, due to the demonstrations that took place in the afternoon of 10 October, Interior Minister Ramon Escovar Salom stressed that the executive branch will not tolerate public order disturbances and that it is ready to repress any vandalistic actions intending to do away with the country's peacefulness.

[Prado] The interior minister described as cowardly and irresponsible the violent actions that took place on 10 October in Caracas as the university students march ended. The government hopes that the student authorities will repudiate the demonstrations that, in the opinion of Escovar, a vandalistic minority carried out.

[Escovar] "Both the Metropolitan Police and the Disip [Directorate of Intelligence and Prevention Services] arrested some people. The police commander will be

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reporting on the evening of 10 October the number of people arrested. Few people were arrested.

[Unidentified reporter] [words indistinct]

[Escovar] "I do not know now; it will depend on the seriousness of their actions. Evidently, the law will be enforced."

[Prado] The interior minister said that today's guarantee is that the country is absolutely calm. He mentioned only a minor incident in Maracaibo. By the way, he referred only to the rumors, adding that he is analyzing the possibility of these rumors having a connection with the demonstrations that took place in downtown Caracas on 10 October.

[Mexico City NOTIMEX in Spanish at 2207 GMT on 10 October in a Caracas-datelined report of approximately 500 words adds the following: "Venezuelan authorities today reinforced the Congress' external guard with an armored Army vehicle and a helicopter that overflew Congress, given the violent demonstrations that took place during a march university students staged in Caracas." In addition, the report states: "Riot and motorized vehicles of the Metropolitan Police and National Guard surrounded Congress with the support of an armored vehicle and permanent helicopter overflights, while other authorities have started patrolling the city."]

Defense Minister Condemns Call For Vote Abstention

PA0710015895 Caracas EL NACIONAL in Spanish 4 Oct 95 p D-2

[Report by Milagros Duran]

[FBIS Translated Text] Defense Minister General Moises Orozco has urged the Venezuelan people not to listen to the premonitions of "birds of ill omen" that rise whenever there is an election.

By doing this, Orozco, without mentioning anybody, reacted to statements by Hugo Chavez Frias urging the people not to vote in the December elections.

The minister was accompanied by the commanders of the four military forces and by the director of the Republic Regional Plan III, Division General Raul Salazar. The president of the Supreme Electoral Council [CSE], Enrique Yespica; CSE First Vice President Rafael Lander; and Second Vice President Jose Azpurua Rios were also with the minister.

Orozco said: I think the Venezuelan people want peace, not riots, contrary to what some people say and to some statements by a man who has urged the people not to vote, statements we read today in EL NACIONAL.

He added: I think this is a very irresponsible attitude because votes represent the democratic system. The vote gives citizens the opportunity to choose who their authorities will be. Those who make appeals not to vote act in an anti-Venezuelan way.

A reporter asked if the Armed Forces are ready to check actions such as a destabilization plan. This is what he answered:

We would take action the moment we detect any situation that could threaten the elections process.

He was asked: After the past elections, there were complaints that the Republic Plan had delayed vote counting in some sites. Are you going to correct this?

[Orozco] We transfer election material. From polling tables it is taken to the command post of a tactical unit which is responsible for safeguarding it. Envelope number one is transferred to Caracas by air when the votes are from a remote region. Usually, delays occur because polling table board people stop counting the votes and because sometimes the board people cannot agree on something, and we cannot intervene in the process.

These are problems about which the Armed Forces cannot do anything, Minister Orozco said.

The minister explained that the mission of the Armed Forces is to support the CSE, and to protect the ballot stations and electoral material.

There are military watch posts in the 353 electoral boards, in the 8,342 voting stations, and in the 23,097 polling tables.

Minister Orozco explained that the activities to be fulfilled by Republic Regional Plan III are:

To transfer and protect electoral material.

To maintain public order during the voting process.

To place whoever infringes the election law at the disposal of the authorities.

To keep access to voting centers free and clear.

To take the necessary envelopes to the electoral boards.

The minister said we are in the preelection phase, which goes from 30 November to 3 December [as published]. The electoral phase is the period when the Armed Forces must:

Implement a plan to maintain public order and protect voting centers.

Assume operational control of support organizations to complement military capabilities.

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Deploy military units.

Then comes the postelections phase, which goes from the end of the vote-counting to the transfer of the material to the corresponding boards.

Personnel involved:

Generals: 32

High-ranking officers: 582

Subaltern officers: 3,268

Carreer noncommissioned officers: 1,534

Professional troops: 9,351

Enlisted troops: 57,358

Civilian personnel: 736

Total: 72,861

Orozco said there are more than 70,000 people involved in the Plan, including civilians and military. "They are all prepared to watch for a normal election process," he stated.

Finance Minister Unveils Country's Agenda

PA1110014795 Caracas Venezolana de Television Network in Spanish 1615 GMT 7 Oct 95

[Statement by Finance Minister Luis Matos Azocar from the Central Information Office at Miraflores Presidential Palace, Caracas; date not given — recorded]

[FBIS Translated Text] I would like to unveil the basic points of the Venezuela Agenda which is currently being discussed by the Finance Ministry together with IMF Officials.

1. Gradual reduction of the fiscal deficit. Adjustment and reduction of the fiscal deficit during a minimum period of two years, and a maximum of three years;

Ensuring a fiscal deficit equal to 4 percentage points of the GDP during 1996, and 2 percentage points during 1997;

Substantial improvement in tax collection measures through the Seniat [Integrated National Service for Tax Administration] by placing special emphasis on the income tax;

Implement an aggressive campaign against tax evasion aimed at cutting evasion by 20 percent during 1996, and 40 percent by 1997;

Raising the sales and consumption taxes from 12.5 percent to 15 percent during 1996 as stipulated in the 1996 Budget bill proposal;

Establishment of a Resources Stabilization and Reallocation Fund [Fondo de Estabilizacion is Reasignacion de Recursos] in accordance to fiscal priorities in order to contribute toward implementing expenditure cuts and the targeting of new priorities;

Creation of a External Debt Rescue Fund [Fondo para el Rescate de la Deuda Externa];

Freezing 80 percent of available jobs with the national public administration system.

2. Adjusting exchange rate controls. Dismantling of the exchange rate control as relates to all current accounts by the first quarter of 1996;

Maintain exchange rate controls for capital account as long as the Financial System Support Program is in effect during 1996;

IMF support program for the country's international reserves.

3. Strengthening of the country's financial sector. This program is similar to one already used by the IMF, World Bank, and the IDB in Mexico and Argentina.

World Bank and IDB support program for bank capitalization and the reorganization of nonproductive accounts;

Accelerated privatization of the state banking system;

Advisory agreements aimed at improving the banking supervision and monitoring system in Venezuela.

4. Structural reforms of the Social Security System. Creation of pension funds at public and private institutions;

Multilateral financing programs aimed at reorganizing the Venezuelan Social Security Institute [IVSS], support to the financial reorganization of the Social Security Pension and Retirement Fund.

5. Expansion of social programs. World Bank and IDB support for the Family Basket Strategic Program aimed at improving lower income sector's purchasing capacity for the procurement of basic articles;

Lessening of the conditions required by multilateral organizations in order to facilitate the flow of resources to social programs currently in effect such as school lunches, infant-maternity support programs, housing, youth employment program, day care centers, improvement of the health sector, inventory support, farmers markets;

IDB supply and infrastructure support program, construction of aqueducts, sewages, and basic urban and

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rural facilities as part of the framework of the community refurbishing program managed by Fundabarrios [expansion unknown].

6. Energizing the productive apparatus. World Bank and IDB financing for the Venezuelan state's industrial and agriculture credit system, Industrial Credit Fund, Corpoindustrias [Corporation for the Development of Small and Medium-Sized Industry], and Agricultural-Livestock Credit Institute, [ICAP];

Fiscal incentives to private investments;

Removal of sales taxes on luxury consumer goods for new investments;

Encouragement of the petroleum opening program aimed at attracting new productive investments;

Technological development, employment creation, and economic growth in those regions with proven petroleum potential;

Legal guarantees allowing the repatriation of capital and dividends on foreign investments;

Incentives for export promotion of technological goods.

7. Expansion of the competitive regime on prices. Development of the process of selective opening of the economy;

Strengthening of economic and commercial integration within the framework of the Andean Pact, G-3 Agreement, Venezuelan-Brazilian opening toward the Common Market of the South, Caribbean Community, and hemispheric integration initiatives;

Policy to reduce monopoly conditions in national markets;

Constitution and strengthening of public institutions to favor an effective competition in economic exchange.

8. New policy of interest rates. To define and determine the interest rates of the monetary stabilization securities;

Coordinated monetary policy action between the Central Bank of Venezuela and the Finance Ministry.

9. Job training. Financing by the Inter-American Development Bank [IDB], and the World Bank to promote programs for technical training and skilled labor in the job market;

Stimulation of the private sector of the economy to develop student assistant and youth training programs;

Special program by the IDB for interscholastic youth training.

10. Public administration reform and privatization. Reduction of the number of ministries and continuation of the administrative restructuring programs in government offices.

Acceleration of the administrative decentralization process and transfer of competence of the national administration to state and municipal administration, revamping the program of privatization of public entities, especially the industrial complex of the CVG [Venezuelan Guayana Corporation], and an agreement with the World Bank for the process of privatization of companies that distribute electricity.

As you can see, these are the basic points of the agenda under discussion today with multilateral organizations.

Finance Minister on Exchange Controls, Interest Rates

PA0810041795 Caracas Venezolana de Television Network in Spanish 0200 GMT 5 Oct 95

[From "The News" newscast]

[FBIS Translated Text] The executive branch, through the Finance Ministry, is negotiating another $400 million to be added to the Exchange Administration Board's [JAC] budget for the last quarter of 1995.

[Begin recording] [Reporter Pedro Prado] The JAC's $900 million budget would benefit from the additional foreign exchange that would result by suspending the import requests that companies known to have imported excessively are still submitting. Finance Minister Luis Raul Matos Azocar ruled out a shortage due to a lack of foreign exchange and guaranteed that the economy will not suffer because of this.

[Matos] We are also taking that aspect into consideration. A significant percentage of what the Central Bank of Venezuela [BCV] usually allocates to the JAC was earmarked for debt payment, and it is a matter of accounting to reach an agreement with the BCV and JAC so the tax being imposed on imports will be reviewed, and the problem of foreign exchange flow is solved.

[Prado] With respect to interest rates, Matos stated that a flexible system is required.

[Matos] Interest rates are essentially tied to the Monetary Stabilization Bonds [TEM]. They should be separate from the TEM's and allowed to float according to market supply and demand.

[Prado] Matos stated that the foreign exchange control has produced results because Venezuela has been able to recover its levels of international reserves, pay more than $1 million [as heard] in foreign debt, stimulate imports, and maintain a positive current account flow. [end recording]

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Caldera's Appeal for Dialogue on Budget Bill Draws Reaction

PA0810151595 Caracas Venezolana de Television Network in Spanish 0200 GMT 5 Oct 95

[Report by Fernando Porte from "The News" newscast — passages within quotation marks recorded]

[FBIS Translated Text] The appeal issued by President Rafael Caldera to start a national dialogue on the 1996 budget bill has created extraordinary expectations in Congress. President Rafael Caldera has decided to start a series of talks on the terms of the 1996 budget. The chairmen of the Chamber of Deputies and Senate Finance Committees, leaders of the various political groups in Congress, and National Congress Directorate Board members will go to Miraflores Palace on Thursday to exchange views with the central government:

[Congress President Eduardo Gomez Tamayo] "It is appropriate to recognize that we have sought a solution, the most appropriate one, so every one may state his viewpoint."

[Chamber of Deputies President Carmelo Lauria] "It means we are working positively. Venezuela needs a dialogue. Venezuela needs the head of state to handle this process."

Liliana Hernandez, Democratic Action representative at the Finance Committee, raised her voice many times to criticize or try to guide the budget bill submitted by the executive branch. She believes the presidential appeal is correct:

[Hernandez] "Although it was a bit late, we feel the president is concerned at least about the country's economic problem, even if it occurs after two years in office."

The Movement Toward Socialism [MAS], represented by its president, emphasized the contrast between the presidential option for a dialogue, which it termed as positive, and the Finance Committee decision to defer the budget, which it termed as negative. Jose Miguel Uzcategui, National Convergence representative to the Chamber of Deputies Finance Committee, coincides on this issue:

[MAS President Gustavo Marquez] "This attitude contrasts with the one assumed by the opposition factions yesterday. The Chamber of Deputies approved the motion to defer the discussion of the budget."

[Convergence Deputy Jose Miguel Uzcategui] "We will now see whether there is really a political willingness both by Congress and the government to make the necessary changes."

Radical Cause and Copei [Social Christian Party], as well as the other groups, believe the government proposal indicates the country's economy will be led to other levels. They believe this will yield positive results for the nation:

[Radical Cause Deputy Ali Rodriguez] "A consultation must be held with all the economic sectors, society's organized sectors, so we may all embark on a national project that allows a national consensus to achieve goals in the short term, meaning a solution to the crisis, and in the mid term; that is, prosperity for the Venezuelan people."

[Copei Deputy Ramon Guillermo Aveledo] "Tomorrow, we will go with a constructive attitude. We are prepared to cooperate with Venezuela."

According to the Budget Organization Law, the deadline to approve or reject the 1996 budget is 30 November.

Government Freezes 80 Percent of Public Administration Jobs

PA0810154095 Caracas Venezolana de Television Network in Spanish 0200 GMT 5 Oct 95

[Report by Pedro Prado from "The News" newscast]

[FBIS Translated Text] In compliance with Austerity Decree No. 345, the government has decided to freeze 80 percent of vacant jobs in public administration.

The Council of Ministers has approved the decree presented by the minister of the Secretariat of the Presidency, which is a basic point of the Venezuela Agenda under discussion with multilateral organizations. This decision forces the government to freeze about 16,000 jobs in ministries, main government offices, the federal district governor's office, the National Council of Universities, and autonomous agencies.

According to OCI [Central Information Office] Minister Fernando Egana, the state, which has more than 1 million employees, will save 30 billion bolivares annually:

[Begin Egana recording] The growth rate for jobs in public administration is now dormant. There has been a reduction instead, but recently there has been an increase of 147,000 public employees at the governors offices and mayors offices; therefore, it would be very convenient for the governors and mayors offices, which are now increasing the number of state employees, also to freeze the number of vacant jobs. [end recording]

The fact that mayors and governors offices are increasing their employment rate could represent an immediate problem for the state regarding constitutional allocations.

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Interior Minister Denies President in Poor Health

PA0910181795 Caracas Venezolana de Television Network in Spanish 0200 GMT 7 Oct 95

[From "The News" newscast]

[FBIS Translated Text] Interior Minister Ramon Escovar Salom has denied rumors that President Rafael Caldera is in poor health, and he has said there is a rumor mill in Venezuela to which no one must pay any attention:

[Begin Escovar recording] This morning, in Margarita, you witnessed the presence of the head of state in a ceremony in which he was accompanied by a number of ministers. Afterward, two or three ministers had lunch with him at Miraflores Palace. He is in perfect health. Many Venezuelans would like to be as healthy as President Caldera. These rumors that have been spread these last few days are unfounded. [end recording]

Venezuelan Deputy Minister Rejects Helms-Burton Bill

PA0910140295 Havana PRENSA LATINA in Spanish 0227 GMT 6 Oct 95

[FBIS Translated Text] Caracas, 5 Oct (PL) — Venezuelan Deputy Foreign Minister Milos Alcalay today reiterated his country's rejection of the U.S. Helms-Burton bill, which seeks to strengthen the economic and financial blockade on Cuba the United States has maintained for more than three decades.

Talking to PRENSA LATINA, Alcalay has said the bill is a continuation of the so-called Torricelli Law, which was also rejected in its day by the countries of the region and the world.

Venezuela rejects any measure to blockade or obstruct trade or political or cultural relations between nations, more so when the world trend is toward the opening of borders, the interdependency and globalization of the economy and not toward a closing, Alcalay has affirmed.

Because of its extraterritorial and forceful nature, it is a measure not in harmony with the integrationist efforts Latin America and the Caribbean are pushing forward with the Group of Three, the Association of Caribbean States, or Mercosur [Common Market of the South], the Venezuelan deputy foreign minister has said.

Alcalay has felt that the relations between Venezuela and Cuba are at their highest level, which is a reflection of the interest and disposition of the two nations to intensify the sundry historical links joining the two Latin American nations.

In that regard, he has said the Venezuelan Foreign Ministry is enthusiastically preparing the next meeting of the Cuban-Venezuelan joint commission to be held in Caracas in November, which the Cuban foreign minister will attended.

Alcalay has said the bilateral and multilateral aspects of all the topics joining the two nations will be evaluated during the official five-day visit, within the setting of the binational meeting, by Cuban Foreign Minister Roberto Robaina and his delegation.

He added that the agenda of the joint meeting will remain open so as to analyze all issues based on a relation he has described as "excellent."

TV Reports Colombian Defense Minister Remarks

PA1010221795 Caracas Venezolana de Television Network in Spanish 1545 GMT 10 Oct 95

[From "The News" newscast]

[FBIS Translated Text] Colombian Defense Minister Juan Carlos Esguerra denied that Colombian guerrillas had participated in the incident that resulted in the death of two Venezuelan National Guard members.

Moreover, Esguerra rejected another incident involving our country, which involved two Venezuelan helicopters that landed in (Cerro El Avion) where a Colombian television relay station operates. He added that the aircraft were performing control exercises in the border region when they landed in Colombian territory, thinking they were in Venezuelan territory. When they realized their mistake, they flew back to our country.

Kenyan Foreign Minister To Discuss Bilateral Ties

PA0910005295 Caracas EL UNIVERSAL in Spanish 5 Oct 95 p 1-15

[FBIS Translated Text] Venezuela and Kenya will seek ways to strengthen their bilateral relations, especially in the sectors of ecotourism, epidemiology, and tropical disease control with the official visit to Caracas today and until tomorrow by Kenyan Foreign Minister Stephen Kalonzo Musyoka.

The official will meet with his counterpart, Miguel Angel Burelli Rivas, Tourism Corporation President Herman Luis Soriano, Development Minister Werner Corrales, Roberto Perez Lecuna, minister of environment and renewable natural resources, Energy and Mines Minister Erwin Arrieta, and Agriculture and Livestock Minister Raul Alegrett.

Musyoka will meet this afternoon with President Rafael Caldera and will establish contacts tomorrow with

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Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] leaders.

Kenya, a former British colony that gained its independence in December 1963 and was declared a Republic a year later, is located on the east coast of Africa. It covers an area of 582,646 square kilometers and has a population of 25 million people, who are grouped in 27 tribes.

The domestic political situation is quite complicated due to pressures from tribal associations and political organizations of a religious nature (basically Muslim) on the current government party. Faced with these pressures, the reaction has been quite repressive. The country is, likewise, hurt by the political circumstances of its neighbors, namely, Uganda, Tanzania, Sudan, Ethiopia, and Somalia.

Like other African countries, Kenya has had weak relations with Latin America, a region they view not as a potential partner but as a competitor in the markets for raw materials and for funds from international cooperation organizations. That is why it has no embassy in any of the countries on the subcontinent. The ambassador to Venezuela is U.N. representative Francis Muthaura.

The Foreign Ministry's office for Asia, Africa, and the South Pacific region, however, finds it advantageous for Venezuela to get closer to this nation, which is headquarters to the U.N. Environment Program (UNEP), and has vast experience in agriculture and managing national parks as tourist attractions.

Kenyan-Venezuelan trade relations have registered very low volumes, attaining its best movement in 1993, when it totaled over $36,000. The balance is positive for Venezuela, which exports ink for printing businesses, cleaning products, and detergents, while Kenya sells leather and bovine and goat hides to Venezuela.

Musyoka, who is 41 years old, is a lawyer graduated from the University of Nairobi. He received a master's degree in Business Administration from the Mediterranean Institute of Management in Nicosia, Cyprus. His political career began in 1985 when he was elected member of the National Assembly. He has been the foreign minister since 1993.

Roundup of Venezuelan Economic Developments

PA1110040895

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Venezuela monitored through 10 October.

According to a Caracas, 3 October datelined item, the Exchange Administration Board reported today that Venezuela has a $2 billion deficit in relation to importers' requirements for the last quarter of 1995. (Madrid EFE in Spanish 1808 GMT 3 Oct 95)

According to a Caracas, 6 October datelined item, the Energy and Mines Ministry has reported that during 1995, the average price of Venezuelan oil has been $14.26 per barrel in comparison with last year's average price of $13.23 per barrel. (Mexico City NOTIMEX in Spanish 1941 GMT 6 Oct 95)

Due to successful drilling in the Block VI LRF-113 well of Lamar Field in Lake Maracaibo, Maraven has been able to add a total of 34.8 million barrels of light crude to its reserves. The well produces 3,800 barrels of high-quality oil daily. (Caracas EL UNIVERSAL in Spanish 3 Oct 95 p 2-4)

According to information provided by the Central Statistics and Data Processing Office during the first half of 1995, Venezuelan imports from the Andean Pact countries amounted to $408.4 million. (Caracas EL GLOBO in Spanish 3 Oct 95 p E-2)

Lagoven will incorporate a daily production of 56,000 barrels of crude oil as a result of the drilling of 68 new wells in Lake Maracaibo and Monagas State. It is expected that in 1995, Lagoven's production at the national level will be 1.127 million barrels daily. (Caracas REPORTE DIARIO DE LA ECONOMIA in Spanish 3 Oct 95 p 4)

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